Town Council
AGENDA

Monday, March 21, 2022 - 5:30 PM
Council Chambers, Easton Town Office
14 S Harrison Street

4:30 PM Workshop with Affordable Housing Board.

5:30 PM Call to Order by President Cook.

Opening remarks and Pledge of Allegiance by Councilmember Abbatiello.

Approval of Minutes.

Approval of minutes of March 7, 2022 minutes.

Municipal Official Items.

Items by the Mayor.

Approval for Mr. Tom Klein to serve as the Town's representative on the Talbot County Parks and Recreation Advisory Board.

Recommendation from the Easton Park Advisory Board for Field Use and Pavilion Fees.

Approval to accept Design Contract from Lane Engineering, LLC for boat ramp design at Easton Point Park.

Items by the Town Manager.

Recommendation to move building from old Public Works property to current Public Works property.

Public Assembly Event: Walk to Fight Suicide - 5K, 10/8/22

Items by the Town Attorney.

Presentations.

Mr. Tarence Bailey to discuss Operation Frederick Douglass.

Ms. Elaine Tama to discuss Plastic Free Easton.

Legislation.

Resolution No. 6151, "A RESOLUTION OF THE TOWN OF EASTON APPROVING AND ADOPTING THE TOWN OF EASTON, MARYLAND EMPLOYEES' PENSION PLAN 2021 RESTATEMENT."

Resolution No. 6152, "A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION OF A SUBRECIPIENT AGREEMENT WITH BUILDING AFRICAN AMERICAN MINDS, INC. FOR A GRANT FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MARYLAND COMMUNITY LEGACY PROGRAM."

Ordinance No. 780, "AN ORDINANCE OF THE TOWN OF EASTON FOR THE AMERICAN RESCUE PLAN ACT."

Public Participation/Comments.

Items by Members of the Council:

Adjournment.

The public can access the meeting as follows:
https://www.eastonmd.gov/129/Agendas-Minutes

If you are an Easton Cable subscriber, you can view the meeting through TV-Channel 98.

Please note: There is a possibility of all or part of the meeting may be held in Closed Session.

Town Council
MEETING MINUTES
Monday, March 7, 2022 - 5:30 PM
Council Chambers, Easton Town Office
14 S Harrison Street

4:30 PM Workshop with State Highway Administration.

At 4:30 p.m., President Cook called the meeting to order.
Mr. VanEmburgh discussed the workshop regarding improvements for pedestrian and vehicular traffic on Rt. 328, Matthewstown Road, Route 50 and Black Dog Alley.
Town Engineer Mr. VanEmburgh stated that present this evening are representatives from District 2 which encompasses Talbot County, Caroline, Queen Anne County, Kent and Cecil County. Mr. VanEmburgh introduced Mr. Kenneth Fender, District Engineer, Assistant Engineer for Traffic, Rich Baker; Assistant Engineer for Project Development Asiyah Cabray. Mr. VanEmburgh discussed the assistance
Eric Beckett, Deputy Director of Preliminary Engineering, has been with rails-to-trails.
Mr. Fender, stated there are no current projects for Route 328. He discussed the Lomax to Dutchman's Lane project.
Mr. Fender stated that the Gannon property has submitted an Access Management Permit Project.
Rev. Davis asked if traffic studies had been completed on Matthewstown Road. He discussed his concern with the passing grade for the road.
Mr. Fender stated they have not had a specific request to look at traffic on that road and unless they get a specific request, no studies are done.
President Cook thanked the participants for coming tonight and stated there are several projects coming down the pipeline, two of which have been approved. She stated the plan is to be proactive regarding the projects and ease the traffic on Rt. 328.
Mr. Fender discussed the development process and when they take a look at the projects.
Mayor Willey asked about the status of the intersection of Rt 322 and Glenwood Avenue.
It was advised by Mr. Becket that a signal at Glenwood Avenue will most likely be funded by SHA.
Town Manager Mr. Richardson discussed the process before building permits are issued.
Mr. Fender stated that it is always a good idea to reach out to SHA when a development is being considered for approval.
Mr. Baker stated there is no right-of-way for widening.
Mr. Abbatiello discussed a list of constituent concerns on Matthewstown Road and getting around trucks at the truck repair facility.
Mr. Silverstein discussed concerns at Hardee's entrance.
Eric Beckett discussed a sidewalk program that has been established with SHA. He discussed the restrictions.
Mr. Baker stated that the construction of the new Royal Farms on the west end of Easton alone warrants a signal.
Mayor Willey discussed flooding on Commerce Drive, the intersection of Marlboro and Rt. 322.
Mr. Fender discussed a study that was performed at that location.
Mr. Abbatiello discussed underground utilities and turning lanes for developments on Rt. 328.
Mr. Fender stated that SHA will take a look at the concerns the council expressed this evening but he has five counties and has to spread out what is needed. A Talbot County priority letter was suggested for the county.
Mr. Engle discussed the south end and proposed development and thanked SHA for addressing the concerns at the light.
Mayor Willey asked about lighting at Washington Street and Rt. 322.
Mr. Fender stated the dialogue between SHA and the town is what they need to understand what is being considered within the town.
Mr. Baker discussed innovating timing that is being considered for Rt. 50.
SHA representatives departed the meeting at 5:18 p.m.

5:30 PM: Call to Order by President Cook.

Mayor Robert C. Willey
Mr. Al Silverstein
Mr. Don Abbatiello
Mr. Ron Engle
Rev. Elmer Davis
President Megan Cook

Also present was the Town Manager Mr. Don Richardson, Town Attorney Mrs. Sharon VanEmburgh, and Town Clerk Mrs. Kathy M. Ruf.

Opening remarks and Pledge of Allegiance by Councilmember Silverstein.

Mr. Silverstein gave opening remarks and led those present in the Pledge of Allegiance.

Approval of Minutes.

Minutes of February 21, 2022 meeting:

Upon motion by Mr. Silverstein seconded by Mr. Engle and carried unanimously, minutes of the February 21, 2022 meeting were approved as written.

Municipal Official Items.

Items by the Mayor:

Mayor Willey stated that the EVFD Tower 1 has been out for repairs and will be back in town Tuesday in operating order.

Mayor Willey stated he attended Chief David Spencer's retirement dinner and it was a very nice affair.

Presentation of Proclamations in Celebration of Achievements and Contributions.

Ms. Jesse Caldwell
Ms. Gladys H. Giddens
Ms. Bertha Brown Wilson
Representative of Francis Wilson

President Cook read a Proclamation in honor of Black History Month. Recipients received a copy for their distinguished service recognizing the many construction contributions to the Town of Easton.

Approval of Recommendation from the Park Board for Master Brian Warner's Eagle Scout Project of Frederick Douglas on the Hill.

Upon motion by Mr. Silverstein, seconded by Rev. Davis and carried unanimously, approval of the recommendation from the Park Board for Master Brian Warner's Eagle Scout project of Frederick Douglas on the Hill was approved.

Items by the Town Manager

Public Assembly Events:
1) St. Patrick's Day Parade and Potato Race - 3/17
2) Country School 5K - 4/23

The following Public Assembly Events were considered for approval:
1) St. Patrick's Day Parade
Upon motion by Mr. Abbatiello seconded by Rev. Davis and carried unanimously, St. Patrick's Day Parade and Potato Race was approved.
2) Country School 5K
Upon motion by Mr. Engle, seconded by Mr. Abbatiello and carried unanimously, the Country School's 5K was approved.

Items by the Town Attorney

The Town Attorney Mrs. VanEmburgh stated she has nothing at this time.

Presentations.

Ms. Dana Newman, Director, Talbot County Free Library to discuss library services.

Ms. Newman, Director, discussed Talbot County Free Library services. She discussed a grant and access for services such as Wi-Fi Hotspots. Ms. Newman stated that all Talbot County students have a library card and access to resources. She discussed services that were available during Covid-19. Ms. Newman thanked Mr. Engle for being a representative on the

TCFL Board.

Legislation.

Ordinance No. 778, "AN ORDINANCE OF THE TOWN OF EASTON GRANTING THE APPLICATION OF MALLARD CONSTRUCTION GROUP, INC. AND JV LAND HOLDINGS, LLC FOR A PLANNED UNIT DEVELOPMENT UNDER THE PROVISIONS OF THE EASTON ZONING ORDINANCE."

Upon motion by Mr. Engle seconded by Rev. Davis and carried unanimously, Ordinance No. 778, "AN ORDINANCE OF THE TOWN OF EASTON GRANTING THE APPLICATION OF MALLARD CONSTRUCTION GROUP, INC. AND JV LAND HOLDINGS, LLC FOR A PLANNED UNIT DEVELOPMENT UNDER THE PROVISIONS OF THE EASTON ZONING ORDINANCE" was approved.

Review of Invoices.

Invoices from 2/2/22 to 2/23/22 totaling $888,992.65.

Upon motion by Mr. Silverstein seconded by Mr. Engle and carried unanimously, invoices totaling $888,992.65 were approved.

Items by Members of the Council:

Mr. Silverstein thanked the Library for their resources. President Cook stated she has used their meeting rooms as well.

Mr. Abbatiello thanked SHA for coming today. He stated there is a lot of work to be done.

Mr. Engle enjoyed the retirement dinner for Chief Spencer. Mr. Engle mentioned how many students visit the library for the internet.

Rev. Davis thanked TCFL for their presentation. Rev. Davis thanked SHA for clarity regarding improvements.

Rev. Davis thanked TCFL for their presentation. Rev. Davis stated that hopefully changes considered by SHA will make citizens feel safer. He stated he is grateful and honored to be a part of Black History Celebration. Rev. Davis stated that Roshanda Roberts was a big help and should be recognized.

Adjournment.

At 6:06 p.m., upon motion by Mr. Silverstein, seconded by Mr. Engle and carried unanimously, President Cook adjourned the regularly scheduled meeting.

Respectfully submitted,

____

Kathy M. Ruf, Town Clerk

TOWN OF EASTON

P.O. Box 520
Easton, Maryland 21601

March 1, 2022

Mayor Robert Willey
Easton Town Council
14 S. Harrison Street
Easton, MD 21601

Dear Mayor and Town Council Members:

Members of the Town of Easton Park Advisory Board would like to inform the Mayor and Town Council:

1) Mr. Thomas Klein has volunteered to serve as the Town's representative on the Talbot County Parks and Recreation Advisory Board.

Please contact me if you have questions or concerns.

Regards,

Mr. Michael Weise, Chairman
Town of Easton Park Advisory Board

TOWN OF EASTON

P.O. Box 520
Easton, Maryland 21601

March 2, 2022

Mayor Robert Willey
Easton Town Council
14 S. Harrison Street
Easton, MD 21601

Dear Mayor and Town Council Members:

Members of the Town of Easton Park Advisory Board would like to recommend to the Mayor and Town Council:

1) Field Use Fees at North Easton Sports Complex:
   Multi-Purpose Field Use = $25.00/hr.
   Multi-Purpose Field Use + Lights = $50.00/hr.
   Baseball/Softball Field Use = $25.00/hr. (Easton Little League is exempt)
   Baseball/Softball Field Use + Lights = $50.00/hr. (Easton Little League is exempt)
   *fees are non-refundable

2) Idlewild Park Pavilion
   Pavilion use = $25.00/hr. (Easton Rotary & Religious Services are exempt)
   *fees are non-refundable

3) Moton Park Pavilion
   Pavilion use = $25.00/hr. (Religious Services are exempt)
   *fees are non-refundable

If you have questions or concerns, please feel free to contact me.

Regards,

Mr. Michael Weise, Chairman
Town of Easton Park Advisory Board

EASTON POLICE DEPARTMENT

"With Pride We Serve"

UPCOMING PUBLIC ASSEMBLY EVENT

TO:	Mayor Willey and Don Richardson
DATE:	March 10, 2022
PREPRARED BY:	1st Sgt. E. Kellner #0144

EVENT: Walk to Fight Suicide – 5K

APPLICANT: Michelle Vorpahl – American Foundation for Suicide Prevention

LOCATION: Rails to Trails / Idlewild Park

DATE/TIME: October 8, 2022 7am – 12pm

ATTENDANCE: 300

PURPOSE: Suicide prevention awareness

DETAILS: Participants will gather at Idlewild Park to start, then walk to the Rail Trail. Participants will proceed on the Rail Trail to Plum St, turning around and returning to Idlewild Park. This is a non-competitive 5K walk.

SPECIAL REQUESTS: Crossing guard assistance at 4 major intersections if requested by applicant (crossing guards would not be required by EPD due this being a walking event and not a competitive run).

EPD CONCERNS: None

APPROXIMATE COST: $2,400.00 plus $100.00 permit fee

- 1 officer at 4 major intersections for 5 hours. Total man hours – 20 @ $65.00/hr rate.

RECOMMENDATION: Approve

Addenda for Plastic-Free Easton Presentation

Talbot County, MD
Estimate of # of Plastic Bags Used per Year

- # of Households, April 2020 = 16,826
- 75% of Households Shop in Talbot County = 12,620
- 85% use plastic bags = 10,727
- 8 bags/week X 52 weeks/year = **4,462,432 bags/year**

- If 2% end up in waterways or on land = **89,248 bags/year**

Support for Plastic-Free Solutions

- Our supporters represent key environmental and economic contributors to our local economy as well as citizens concerned with the health of our community and environment:
    - Shore Rivers
    - Talbot County Watermen's Association
    - Maryland Chapter of the Sierra Club
    - Chesapeake Bay Foundation
- We have 125 signatures on our paper petitions.
- We have a mailing list of 116 emails.
- We have 59 signatures on our online Change.org petition.
- We have 89 Facebook friends.

TALBOT WATERMEN ASSOCIATION

March 2, 2022

Plastic-Free Easton
8458 Aveley Farm Rd.
Easton, MD 21601

Dear Elaine Tama:

I write on behalf of Talbot Watermen Association in support of your organization, Plastic-Free Easton and your mission to reduce single use plastics in Talbot County. We strongly support the elimination of plastic waste because this waste is harmful to marine life. Our goal is to provide wild caught Maryland seafood that is raised free of human intervention using sustainable traditional harvest methods. The result is the finest and freshest seafood the watermen can provide.

Through this letter, we acknowledge our support and offer our assistance in helping to achieve your organization's goals.

We look forward to working with you in the future.

Sincerely,

Herman "Jeff" Harrison
President

Talbot Watermen Association, P. O. Box 324, Bozman, MD 21612 (410) 745-9759

CHESAPEAKE BAY FOUNDATION
Saving a National Treasure

March 15, 2022

Town of Easton
14 South Harrison Street
P.O. Box 520
Easton, MD 21601

Dear Mayor Willey and Town Council Members:

The Chesapeake Bay Foundation (CBF) respectfully urges the Town of Easton to adopt the proposed Plastic Bag Reduction Ordinance that would prohibit the use of plastic carryout bags at retail establishments and reduce the impact of plastic on our community and the environment.

Single use plastic bags are degraded easily by the sun, wind, and abrasion and can harm freshwater and marine life. When "microplastics" reach local waters, they are easily consumed by zooplankton, which when ingested by other animals can cause stomach problems or even fatalities in fish, crabs, sea turtles, and birds. From the Artic to Antarctica, there is no place on earth where microplastics aren't found.

Easton can help reduce the impacts of microplastics by banning single use plastic bags. Boston, Chicago, Los Angeles, San Francisco, and Seattle already prohibit these products and many other municipalities are considering similar legislation. Washington, D.C. and Montgomery County charge a nominal fee on plastic bags through community-supported measures put in place more than ten years ago.

Easton prioritizes stewardship of its land and water and is committed to environmental protection. CBF supports the Town's efforts to reduce pollution through a ban on plastic bags.

Sincerely,

Alan Girard
Eastern Shore Director

EASTERN SHORE CONSERVATION CENTER
114 SOUTH WASHINGTON STREET | SUITE 103 | EASTON, MD 21601 | 410-543-1999 | CBF.ORG

SHORERIVERS

March 10, 2022

To the members of the Easton Town Council,

ShoreRivers is a river protection group on Maryland's Eastern Shore with over 2,000 members. Our mission is to protect and restore our Eastern Shore waterways through science-based advocacy, restoration, and education.

Our waterways are polluted – they are being choked with nitrogen, phosphorus, and sediment runoff from farm practices, urban and residential stormwater runoff, and outdated septic systems. We believe there are real solutions and we work to develop projects and programs that will improve the health of our waters - now and in the future. As we work to address these pollutants, we are now being faced with the emergent issue of plastic pollution in our Eastern Shore waters.

The impact of plastic pollution on the Eastern Shore, specifically in our rivers, has not yet been studied at length. The University of Maryland Center for Environmental Science (UMCES) is beginning a study on microplastic pollution in the Choptank River this year, and our Choptank Riverkeeper Matt Pluta will sit on an advisory committee for this study.

As we begin to accurately assess the impact of plastic pollution on our Eastern Shore waterways, we support Plastic Free Easton's efforts to reduce plastic pollution in Easton. There is a visible and tangible impact to our waters when members of our community encounter plastic while out boating, using public landings, or swimming at public beaches in our watersheds. ShoreRivers has supported efforts to ban plastic bags statewide through the Maryland General Assembly, and until that statewide legislation is successful local governments can take the initiative to curb plastic litter in their communities through local ordinances.

Members of Plastic Free Easton will be participating in our Project Clean Stream events this spring, which are coordinated efforts across the Chesapeake Bay watershed to clean up trash and keep it from reaching our creeks, streams, rivers, and ultimately the Bay. Plastic Free Easton is working at every level to reduce plastic pollution and plastic bags, by tabling at the farmers market, participating in these trash cleanups, and bringing it to the attention of the Easton Town Council. We urge the Council to consider their proposal and aid the environmental community in reducing all sources and types of pollution from reaching our waterways.

Sincerely,

Emily Harris
Policy and Communications Specialist, on behalf of:

ShoreRivers
Isabel Hardesty, Executive Director
Annie Richards, Chester Riverkeeper | Matt Pluta, Choptank Riverkeeper
Elle Bassett, Miles-Wye Riverkeeper | Zack Kelleher, Sassafras Riverkeeper

Main Office	Regional Office	Regional Office
114 S. Washington St. Suite 301 Easton, MD 21601 443.385.0511	111A North Main St. Galena, MD 21635 410.810.7556	207 S. Water St. Unit B Chestertown, MD 21620 410.810.7556

shorerivers.org

The Problem

- **The world is facing a plastic pollution crisis.** Oceans take in 5-13 million tons of plastic from land-based sources annually. By 2050, there will be more plastic than fish by weight in the ocean.[1]
- **Plastic shopping bags are a major contributor.** Worldwide, an estimated 1 trillion plastic shopping bags are used annually. They're among the top 6 plastic products collected in beach cleanups in the US.[2] At major grocery chains in MD, 75%-88% of shoppers use single-use bags, >98% of which are plastic.[3]
- **Plastic bags pollute our waterways, threaten wildlife and human health.**

-- Littered bags end up in waterways, break into microplastics, release toxins
-- Ingested by marine life, injuring & killing fish, seabirds, marine mammals
-- Potential health effects on humans, by ingesting and breathing in plastic

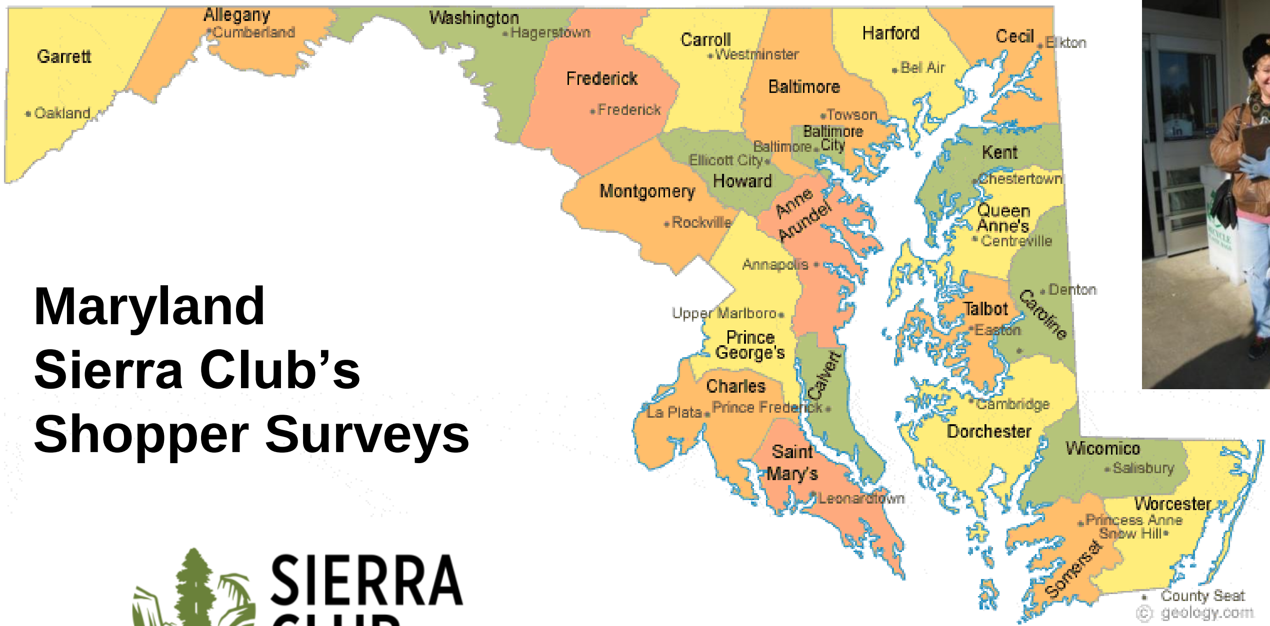
The Problem (Cont'd)

- **Few plastic carryout bags are recycled.**
  According to the EPA, fewer than 9% of plastic bags are recycled.[5] They are not accepted in curbside recycling programs because they foul the machinery and are too contaminated to be marketed.

- **Plastic carryout bags are manufactured from fracked gas, contributing to climate impacts.**
  Greenhouse gases are emitted at every stage of the plastic lifecycle, from production to disposal.

Film plastic wrapped around recycling sorting equipment at the end of a shift. It takes 3 workers 8 hours each to remove this contamination every evening. (Prince George's County)

Bag Policy Changes Behavior! Evidence from Maryland Shoppers

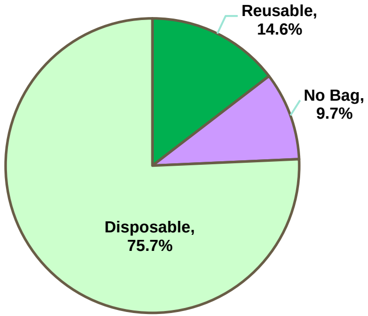


Maryland Sierra Club's Shopper Surveys

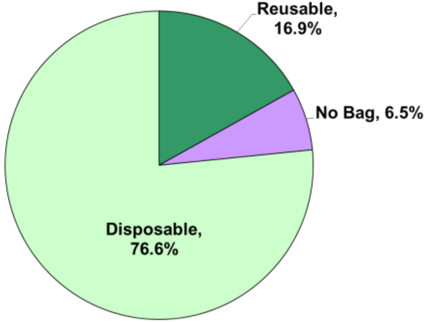
SIERRA CLUB

When Bags Are “Free”, ¾ or More of Shoppers Take Them

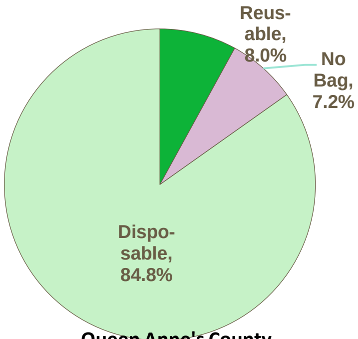
≥ 98% of single-use bags are plastic



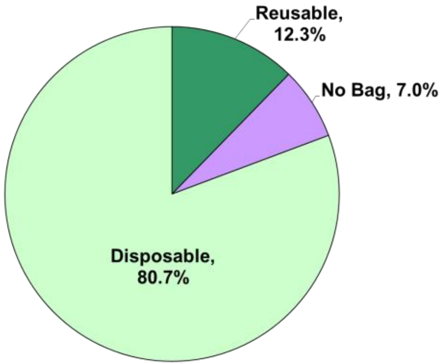
City of Baltimore, 2019
(15 stores; 2,487 shoppers)



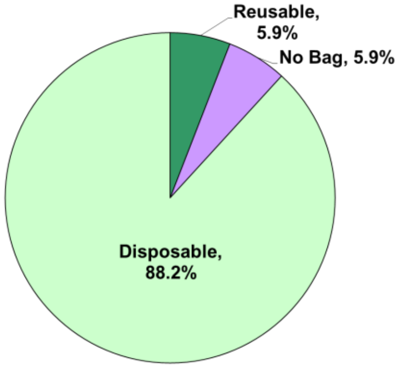
Howard County, 2019
(19 stores, 3,185 shoppers)



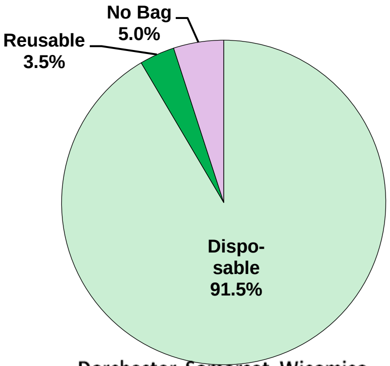
Queen Anne's County
(4 stores, 1,271 shoppers)



Frederick County, 2019
(20 stores, 2,588 shoppers)



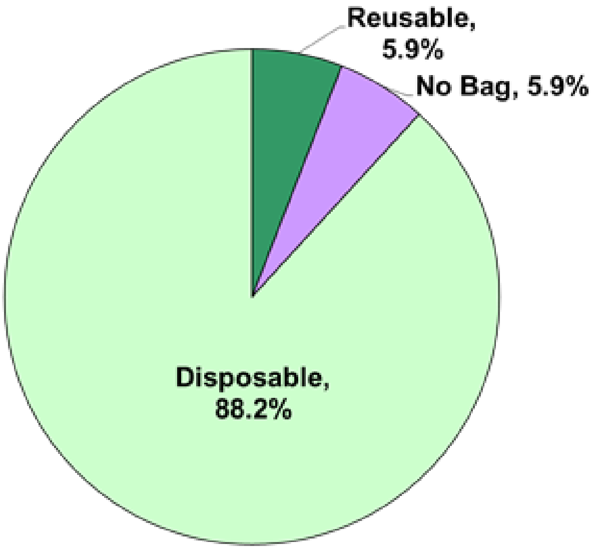
Prince George's County, 2019
(48 stores, 7,694 shoppers)



Dorchester, Somerset, Wicomico, Worcester Counties
(13 stores, 2,800 shoppers)

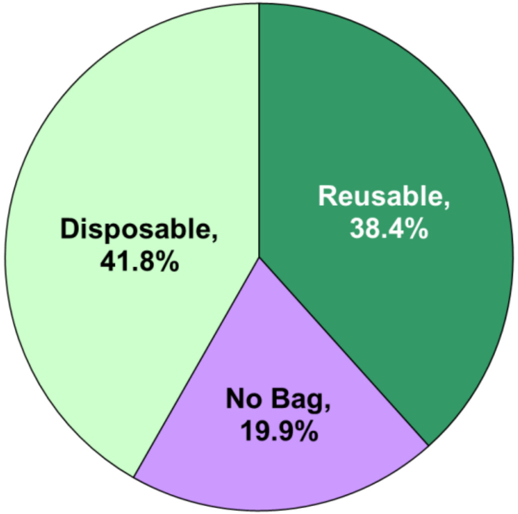
The Impact of Montgomery County’s 5-cent Disposable Bag Tax

No carryout bag tax



Prince George's County, 2019
(48 stores, 7,694 shoppers)

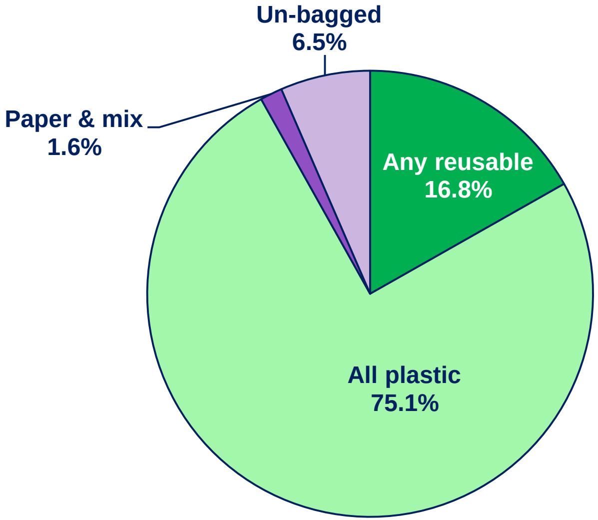
5-cent tax on paper and plastic carryout bags



Montgomery County, 2019
(56 stores, 9,484 shoppers)

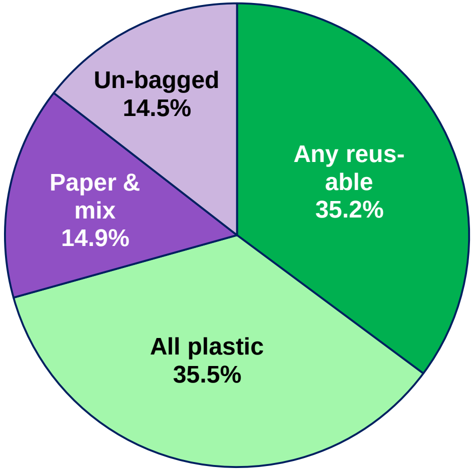
The Impact of a 5-cent Plastic Bag Tax in Howard County

Before the plastic bag tax



Four Chains, Fall 2019
(14 stores, 2,238 shoppers)

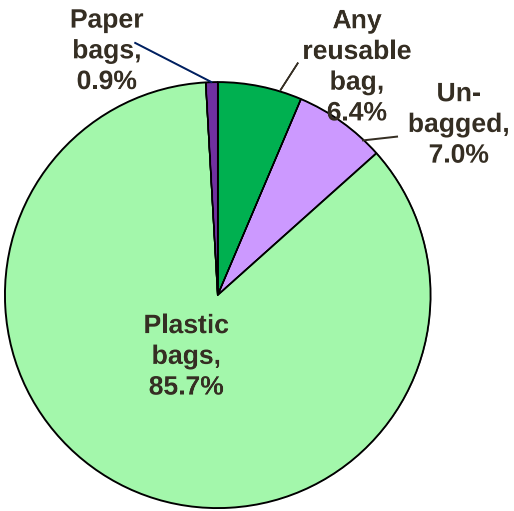
After the plastic bag tax



Four Chains, Dec 2020
(14 stores, 1, 905 shoppers)

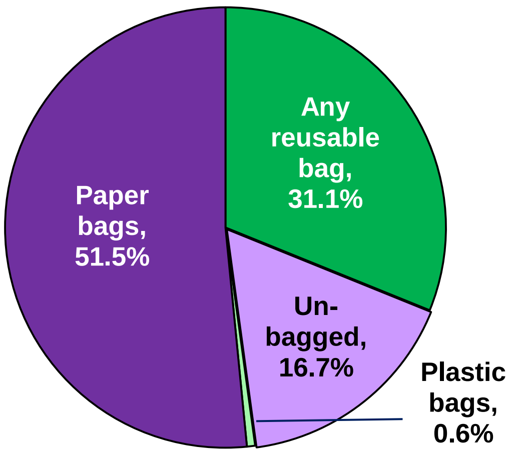
The Impact of a Plastic Bag Ban in Westminster, MD

Before the plastic bag ban
(May-June 2021)



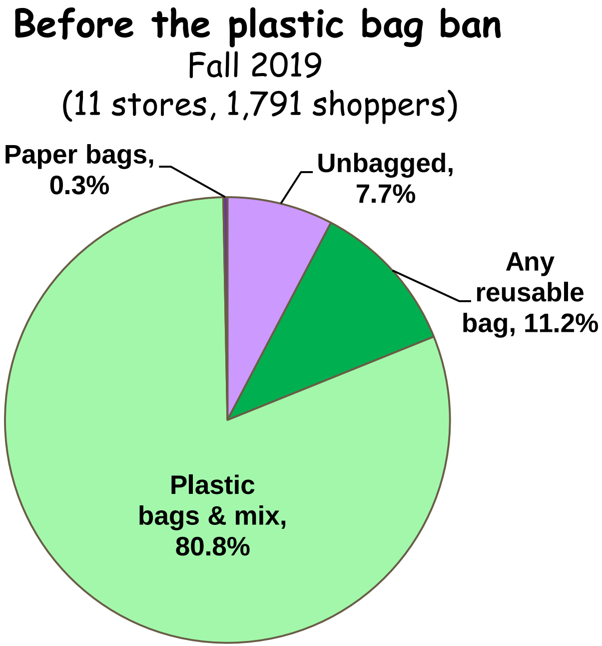
(5 stores, 546 shoppers)

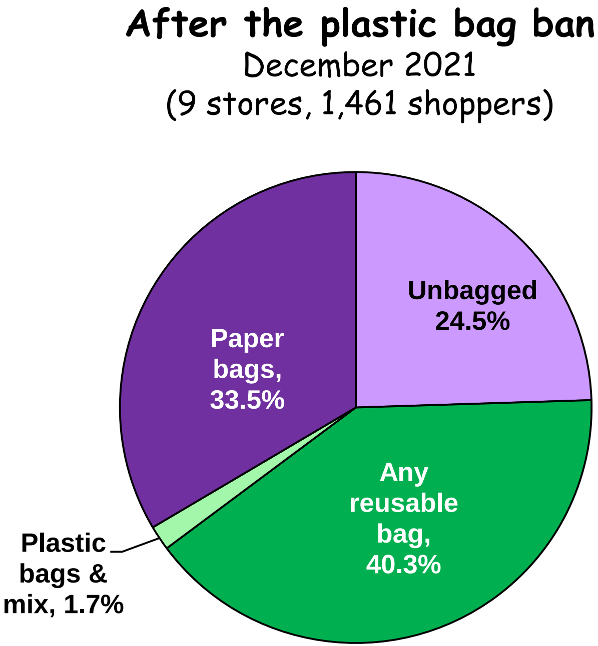
After the plastic bag ban
(October-November 2021)



(5 stores, 646 shoppers)

The impact of Baltimore's plastic ban/ 5-cent surcharge on other bags*





*Giant, Harris Teeter, and Shoppers chains. The ban went into effect October 1, 2021.
Some stores had a shortage of reusable bags.

Lessons Learned from Elsewhere

- **The fee on other bags is an incentive to reuse**.
  Without a fee on other bags, stores will provide single-use paper bags, which cost more and have a big upstream environmental impact.
- **Don't use a thickness standard.**
  It's an invitation to stores to provide thicker plastic bags.
- **Don't exempt "compostable" or "biodegradable" carryout bags.**
  They are single-use and don't break down in the environment.
- **Apply the bill to all retailers and restaurants.**
  No exceptions for small retailers and apply to all shoppers.
- **Minimize other exemptions.**

Plastic Bags Are Not "Free"

- While we may not pay for plastic bags directly when we go shopping, they are anything but "free."
- The cost of plastic bags is included in the cost of our purchases.
- One 2004 study found that taxpayers paid about $88 per year on handling plastic bag waste.

Examples of Studies on Plastic in the Marine Environment

ATMOSPHERIC CHEMISTRY

Microplastics catch an atmospheric ride to the oceans and the Arctic

Plastic particles travel on the wind from urban centers to remote areas

by Katherine Bourzac

Metals Hitch a Ride on Microplastic Pollutants | Technology Networks

News

Metals Hitch a Ride on Microplastic Pollutants

Published: August 10, 2021

| Original story from the Helmholtz-Zentrum Hereon

Environmental Science & Technology

pubs.acs.org/est Article

Rapid Identification of Marine Plastic Debris via Spectroscopic Techniques and Machine Learning Classifiers

Anna P. M. Michel,* Alexandra E. Morrison, Victoria L. Preston, Charles T. Marx, Beckett C. Colson, and Helen K. White

New Study Tracks Microplastics in Maryland's Choptank Watershed (talbotspy.org)

New Study Tracks Microplastics in Maryland's Choptank Watershed

January 8, 2022 by University of Maryland Center for Environmental Science

Resources Used in This Presentation

1. https://www.weforum.org/press/2016/01/more-plastic-than-fish-in-the-ocean-by-2050-report-offers-blueprint-for-change
2. https://oceanconservancy.org/trash-free-seas/international-coastal-cleanup/annual-data-release/
3. Maryland Chapter, Sierra Club Shopper Surveys addendum
4. https://www.weforum.org/agenda/2019/06/you-eat-a-credit-card-s-worth-of-plastic-a-week-research-says/
5. https://www.nationalgeographic.org/article/whopping-91-percent-plastic-isnt-recycled/
6. https://www.weforum.org/agenda/2018/06/microplastic-pollution-in-air-pollutes-our-lungs
7. https://www.technologynetworks.com/analysis/news/airborne-plastic-pollution-a-bigger-problem-than-previously-thought-357901?utm_campaign=NEWSLETTER_TN_Mass%20Spectrometry&utm_medium=email&_hsmi=203270335&_hsenc=p2ANqtz--WBV4L5dR19GrkPZiRkMfiHV5pbaX_-2jkMSFsjO4s2y9gehWT282O3uJyxyalL_HhhqU9PK6_vNpNISHubZwyCwGN0Q&utm_content=203270335&utm_source=hs_email

Resources Used in This Presentation (Cont'd)

8. https://1bagatatime.com/learn/plastic-bag-clean-costs/

9. https://pubs.acs.org/doi/10.1021/acs.est.0c07384?ref=pdf&

10. https://pubmed.ncbi.nlm.nih.gov/33395930/

Easton's Plastic Bag Problem

Plastic-Free Easton

Our Goal

- The problems of plastic pollution are well known and, truthfully, seemingly overwhelming.

- We hope to demonstrate that, while we can't solve the world's plastic pollution problems, we can do something about it right here in Easton.

- Plastic bags affect our environment and economy.

- Together we can do something real and concrete about a major source of plastic pollution: single-use plastic bags.

- Easton can join the growing ranks of MD communities addressing plastic pollution.

Seen Around Town

Field near the Giant

Rte 50 between Panera and Highway

Retention Pond near Harris Teeter

Seen Around Town (Cont'd)

Along the Tred Avon

Next to Paper Mill Creek

Farm field corner of Matthewstown & Elliott Rds

Seen in the Choptank

Plastic Bottle & Plastic Bags

A Net Full of Plastic Bags

Photos by Matt Pluta,
Choptank River Keeper
ShoreRivers

Impact of Too Many Plastic Bags in Easton

- It's hard to recycle single-use plastic bags.
- Plastic bags end up in ditches, our storm sewers, rain gardens, and farm fields.
- Eventually, many bags find their way into our local rivers and the Chesapeake Bay.
- Plastic bags also disintegrate into microparticles which we all inhale and ingest.

Film plastic wrapped around recycling sorting equipment at the end of a shift. It takes 3 workers 8 hours each to remove this contamination every evening. (Prince George's County)

The Solution

- **No single-use plastic bags at point of sale.**

Keep retailers from providing free single-use plastic bags.

- **Charge for other bags.**

Require retailers to charge at least 10 cents for paper or other carryout bags. They keep the 10 cents.

Easton's Comprehensive Plan: Universal Stewardship

Curbing single-use plastic bag usage aligns with the goals of our comprehensive plan:

- "*A high quality of life is achieved through universal stewardship of the land, water, and air resulting in sustainable communities and protection of the environment.*"
- *"The protection of our rivers and streams…is an important issue to the development community. Simply stated, it is difficult to sell waterfront development and the lifestyle associated with living on or near the water if that same water is degraded*."

Plastic Bag Laws in Maryland

Policy	Jurisdiction (year of effectiveness)	Amt of fee/tax*
Tax on plastic and paper carryout bags	**Montgomery County** (2012)	5-cent tax
Tax on plastic carryout bags	**Howard County** (2020)	5-cent tax
Ban on plastic carryout bags	**Chestertown** (2012) **Takoma Park** (2016) **Westminster** (July 2021) **Laurel** (January 2022)	N/A
Law eliminating plastic carryout bags, tax or charge on other bags	**City of Baltimore** (October 2021)	5-cent tax
	Maryland Plastic Bag Reduction Act (2020), as introduced (not adopted)	10-cent charge

*Tax in this table is a fee that is collected in part or total by the government.

Bag Policy Changes Behavior! Evidence from Maryland Shoppers

Maryland Sierra Club’s shopper survey shows:

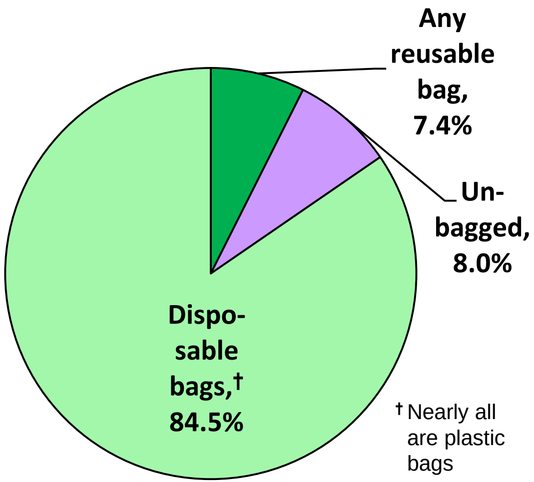
- When bags are “free”, three-quarters or more of the shoppers use them.
- When Montgomery County introduced its 5-cent disposable bag tax, bag use went from 88.2% to 41.8%. Reusable bag use went from 5.9% to 39.4%.
- The 5-cent plastic bag tax in Howard County saw plastic bag use drop from 75.1% to 35.5%.
- Baltimore has a plastic bag law and a 5-cent surcharge on other bags. Plastic bag use dropped from 80.8% to **1.7%.**
- Westminster banned plastic bags. Plastic bag use fell from 85.7% to **.6%.**

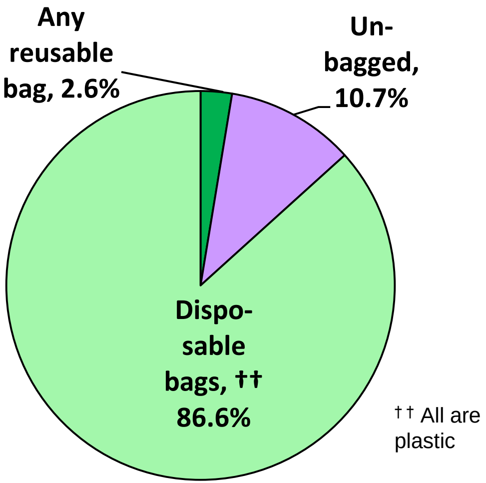
SIERRA CLUB

Shopper Behavior in Easton

(Stores that provide complimentary carryout bags)

Grocery Stores* (4 stores, 497 shoppers)	Department Stores** (2 stores, 531 shoppers)



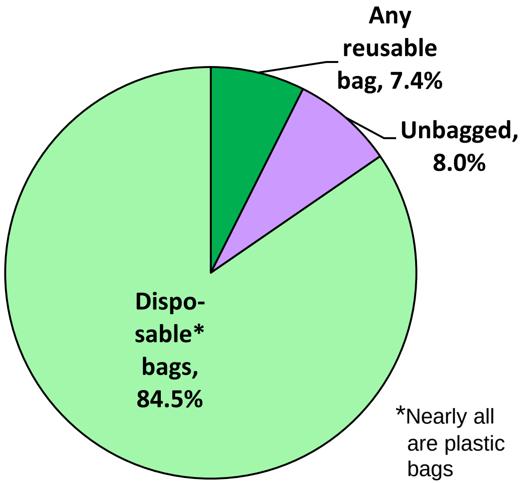


*Acme, Giant, Harris Teeter, Weis Market

** Target, Walmart

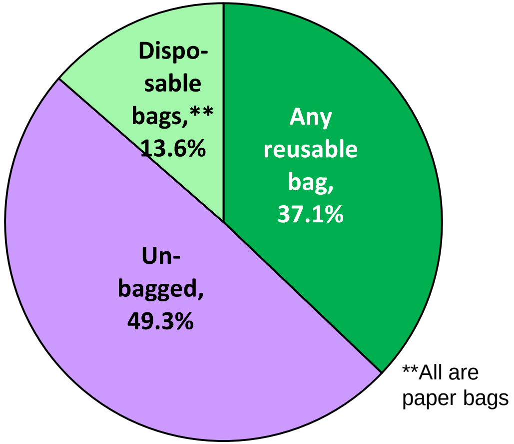
The Impact of Aldi’s Policies in Easton

Easton Grocery Stores
(complimentary carryout bags)



(4 stores, 497 shoppers)

Easton Aldi
(no plastic bags, no free bags)



(1 store, 221 shoppers)

<u>From the Aldi website</u>: “…one of the ways we help our customers save money is by encouraging them to bring their own shopping bags…. The end result is that we not only save our customers money – by not adding the cost of the bag to our prices – but also precious resources.”

Frequently Asked Questions

Why not just recycle plastic bags?

Only about 9% of plastic bags are recycled. They are not accepted in curbside recycling programs because they foul the equipment and are too contaminated to be marketed. Even if more were recycled, it would not prevent littered bags from entering the environment.

Why charge for paper and other carryout bags?

- It’s an incentive for shoppers to switch to reusable bags or no bag.
- It promotes transparency–the cost of providing bags will not be subsidized by customers who bring their own bags or do not need a bag.
- The manufacture of paper bags results in millions of trees being felled each year and involves toxic polluting chemicals.

Let's Pull the Plug On Plastic

Sculpture by artist/activist Benjamin Von Wang

Summary Plan Description
for
Town of Easton, Maryland Employees' Pension Plan

August 2021
<u>Division B Sworn Officers – Pick-up Provisions</u>

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Introduction

To our employees:

The Town of Easton is pleased to present you with this booklet which summarizes our pension Plan. Along with Social Security and your own financial resources, this Plan will help you enjoy a comfortable and secure retirement.

While we have attempted to highlight the most important features of the Plan, please bear in mind that the actual Plan document, which is available for your inspection, is the last word in any matters of decision or interpretation.

We appreciate your loyalty and dedication and want this Plan to be a meaningful part of your retirement finances. As such, we continually review the Plan's provisions to recognize changes in plan design or to conform with government regulations. You will be informed of any such developments.

We urge you to read this booklet carefully for a better understanding of the benefits that are available to you at retirement. This description summarizes the Plan in effect on August 1, 2021 and updates and replaces any prior descriptions. The provisions of this booklet are specific to Sworn Officers who are covered under the Pick-Up provisions which were added to the Plan on March 1, 1995.

Please remember, however, that this information is only an *overview* of the Plan's important provisions. Full details can be found in the legal Plan document which is available for your review in the Human Resources Office during regular business hours. You should consult the Plan document itself if you have any questions about the Plan or your Plan Benefits that are not answered by this booklet.

If you would like your own copy of the Plan document, you may obtain a copy by writing to the Plan Administrator whose location is listed in this booklet's section entitled "*Getting Your Questions Answered*". There may be a small charge for this service.

Effective Date

The Town of Easton, Maryland Employees' Pension Plan was established on August 1, 1973, and most recently revised on August 1, 2021 to reflect all current legislation.

Pick-Up Provisions

On March 1, 1995, the Plan was amended to require you to make Participant's Contributions. These contributions will be deducted from your pay on a pre-tax basis. This type of contribution is commonly referred to as "picked-up" or Participant's Pick-Up Contributions.

Plan Year

The Plan Year is the 12 month period beginning on August 1 each year and ending on July 31.

Participation

If you were a Plan Participant on the day before August 1, 2021, you will continue to be a Participant in the revised Plan.

If you are a Sworn Officer, you are required to participate in the Plan, as a condition of employment and will automatically become a Participant in the Plan on the day when you first become an employee.

Pick-Up Contributions

Pick-Up Contributions are based on your Earnings. For the first 22 years of Service, the rate of your contribution is 7.2% of your Earnings. Thereafter, the rate at which you will contribute is 8.2% of your Earnings.

Pick-Up Contributions are "picked-up" by your Employer in accordance with the provisions of section 414(h)(2) of the Internal Revenue Code and treated as pre-tax employer contributions.

This treatment affords two advantages to you as a Participant:

- these contributions will not be subject to taxation until they are withdrawn from the Plan when you retire.
- since your total income will be usually be lower in your retirement years, the taxes you ultimately pay on this portion of your retirement income will be less than it would have been if you paid taxes on the contributions during your working years.

You will no longer be required to contribute after the earliest of:

- your Severance from Service date
- your Normal Retirement Date
- the date you complete 30 years of Service.

The balance needed for your retirement income is contributed by your Employer.

Your Service

Your years of employment with the Town of Easton or the Easton Utilities Commission count as Service. You earn Service based on the number of whole years and full months you are employed.

The following counts as Service:

1. Absence after your Service ends if you return to work within a year.

2. An authorized leave of absence up to two years, if you return to employment when your leave is over. (If you don't return, Service won't be counted after the first 12 months of leave.)

3. Absence because of sickness, disability, layoff, etc. (If you don't return within 12 months, Service won't be counted after the first 12 months.)

4. Periods of time you are absent from work because of service with the armed forces of the United States. However, you will receive credit for these periods of time only if you are eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and return to work for your Employer within the period during which you retain such reemployment rights.

5. A leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Service will be credited to the extent required by the provisions of the Family and Medical Leave Act.

6. A maternity/paternity absence up to two years because of pregnancy and the birth of a child or the adoption and placement of a child.

Your Credited Service

Credited Service is the portion of your employment with Town of Easton as a Sworn Police Officer, count as Service that is used in calculating the *amount* of your benefit. The amount of your Credited Service may differ from your Service.

How You Earn Credited Service

Credited Service consists of the whole years and full months (partial months are disregarded except for purposes of aggregating your Credited Service if you are reemployed) you have been employed, regardless of the number of hours worked.

Credited Service includes all periods of employment except the following:

- Periods of employment in excess of 30 years of Credited Service.

- Periods of employment while you are in a job classification that is not covered by the Plan.

- Periods of employment while you are disabled.

Absences That Qualify As Credited Service

Absences which qualify as Service (see the information under the heading "*Your Service*") do *not* count as Credited Service, unless you are absent for any of the following reasons:

- Absence without termination of up to 12 months.

- Absence because of military service if you return to employment while your reemployment rights are protected under federal law.

What Happens If You Terminate Employment And Are Rehired?

If you leave employment *before you are vested* and are later rehired, your Service before your Severance from Service Date won't count.

If you leave employment *after you are vested* and you are later rehired, your prior years of Service and years of Service after the break will be added together.

Your Severance from Service Date is the first day of the month on or following the earliest of:

1. the date you quit, are discharged, retire or die,
2. the first anniversary of the date your leave of absence started if you do not return to work by the second anniversary of that date,
3. the first anniversary of the date you are absent for most other reasons, such as vacation or lay-off,
4. the second anniversary of the date on which the Employee is first absent from service for maternity or paternity leave, as described above.

If you become disabled while actively employed, and you are either eligible for benefits from your Employer's disability program, or are being paid under a salary continuation program, you will continue to receive Service for vesting while you are collecting these disability benefits.

Your Earnings

Earnings Defined

The term "Earnings" means your wages received from the Town of Easton and reported to you for federal income tax purposes on your Form W-2. Earnings also include contributions made on your behalf under salary deferral arrangements.

If you have a severance of employment with the Town of Easton, Earnings does not include amounts received by you following such severance of employment unless such amounts are paid to you as differential pay. For purposes of this paragraph, "differential pay" means any payment made to you by the Town of Easton for periods during which you are performing military service while on active duty for a period of more than 30 days, but only to the extent such amounts do not exceed the amounts you would have received if you had continued in employment with the Town of Easton.

Measuring Earnings

- *Earnings Limitation*. If you became a participant in the Plan on or after July 31, 1995, the yearly amount of Earnings that may be used in determining your Plan Benefit cannot exceed the annual limit imposed by the federal government. This limit was increased effective for Plan Years beginning on and after August 1, 2002 to $200,000, adjusted for cost of living. The adjusted annual limit for Earnings in 2021 is $290,000. The annual limit for Plan Years beginning before August 1, 2002 is $200,000.

- Earnings are measured over calendar years.

Your Average Annual Earnings

The term "Average Annual Earnings" means your highest annual Earnings received during any 5 consecutive years in the last 10 years before the earlier of your retirement date or the date you leave employment.

If you have received Earnings for 5 or fewer consecutive calendar years, the annual average is taken by using the consecutive calendar years that are available.

However, the following calendar years will be excluded when determining your Average Annual Earnings:

- Calendar years in which you terminate employment, if that would result in a higher average.

- Calendar years in which you perform services for fewer than six months.

Your Age At Which Payments Begin

Obviously, the age at which you choose to retire and begin receiving your benefit affects the amount of Service and Credited Service you earn and the period of time over which your benefit will be paid.

Normal Retirement Date

If you terminate or retire before July 1, 2017, your Normal Retirement Date is the date on which your years of Service equal 25. If you terminate or retire on or after July 1, 2017, your Normal Retirement Date is the date on which your years of Service equal 22.

If you retire on your Normal Retirement Date, your retirement income will begin on the first day of the month on or after that date. As an alternative, you may remain employed beyond your Normal Retirement Date and retire on a Late Retirement Date.

Late Retirement Date

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date.

How Your Plan Benefit Is Calculated

Your benefit is calculated in terms of the retirement date options that are offered under the Plan.

Normal Retirement Date

If you retire on your Normal Retirement Date, your benefit payments will begin on the first day of the month which coincides with or follows that date.

Effective July 1, 2017, your monthly Normal Retirement Benefit is calculated as follows:

1) 50% of your Average Annual Earnings

   multiplied by

   the ratio that your full and fractional years of Credited Service up to a maximum of 22 bears to 22.

2) Provided however, that this 50% will be increased by 1.66% (maximum 55%) for each year of Credited Service in excess of 22 years with a total maximum of 25 years of Credited Service.

Minimum Benefit

At a minimum, you will receive a benefit equal to the greater of your accrued benefit or the amount that can be provided by your required Pick-Up Contributions.

Late Retirement Date

In general, Late Retirement Benefit payments must begin no later than the April 1 following the later of the year you reach age 70 1/2 or the year you retire.

Your monthly Late Retirement Benefit will be calculated using your Credited Service (up to 25 years) and Earnings to the date you actually retire.

When You Terminate Employment

If you terminate before your Normal Retirement Date and you have the required number of years of Service, you will be 100% vested. The required number of years of Service is:

- if you were hired before July 1, 2017, one year of Service, or
- if you were hired on or after July 1, 2017, 5 years of Service.

If you are 100% vested, you will be eligible for a retirement income based on your years of Credited Service. This retirement income is called your "vested benefit," and will begin on the first day of the month on or after your Normal Retirement Date.

In addition, you will always be 100% vested in your required Pick-Up Contributions.

The following special rules apply to the amount of your required Participant's Pick-Up Contributions. Upon termination of employment, you may either:

1. elect to receive a cash refund of your total required Participant's Pick-Up Contributions, with credited interest as provided in the Plan; or

2. leave your required Participant's Pick-Up Contributions in the Plan to provide a retirement income beginning on the first day of the month on or after your Normal Retirement Date

If you choose Option 1 (elect to receive a cash refund of your Participant's Pick-Up Contributions), you will lose all retirement income.

If you choose Option 2 (leave your Participant's Pick-Up Contributions in the Plan), you will receive your vested benefit as described above.

If you are later re-employed and had elected Option 1, you may return your cash refund plus 5% interest and have your years of Credited Service before termination reinstated. Your repayment must be made before the later of:

- the end of a period of 5 consecutive one-year breaks-in-service (beginning on the date you received your cash refund), or

- the fifth anniversary of your reemployment date.

Payment of Your Vested Plan Benefit

Unless your vested benefit is cashed out as described in "*Cashouts*" below, it will be paid beginning on your Normal Retirement Date.

Cashouts

If the present value of your benefit is greater than $5,000, payment of your vested benefit will begin on your Normal Retirement Date. If it is less than $5,000, it will be paid out in a single sum cash payment (see "*Single Sum Cash Payment*" below) as soon as administratively practicable following your termination of employment.

Single Sum Cash Payment

When The Value Of Your Plan Benefit Is $5,000 Or Less

If the value of your vested benefit is $5,000 or less, your vested benefit may be paid in a single sum cash payment at the time your employment terminates. The single sum payment will be equal to the full value of your vested benefit at that time. You cannot elect another form of payment. Please refer to the section "*Direct Rollover Distributions*" for important information regarding single sum cash payments.

Similarly, if the value of the benefit payable to your spouse or other beneficiary after your death is $5,000 or less, payment may be made in a single sum cash payment.

Election to Receive Single Sum Cash Payments

If the value of your vested benefit is $5,000 or less, you will be given the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election and the present value of your vested benefit is $1,000 or less, a single sum cash payment will be made directly to you, whether or not you elect to receive such payment. If you do not make an election and the present value of your vested benefit is more than $1,000, your vested benefit will continue to be held under the Plan until either (i) you affirmatively elect to receive distribution or (ii) you reach the later of age 62 or your Normal Retirement Date.

Tax Treatment

If you terminate employment and receive a single sum cash payment of your benefit, your benefit may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will *not* apply to benefit payments that are:

- Made after you reach age 59 1/2 or
- Made to your beneficiary when you die or
- Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return or
- Made under the terms of a domestic relations order.

You will be provided with information regarding the tax consequences of your distribution, when it is made. However, you should consult your own tax advisor for more complete information regarding your own situation. For the most current tax information, pick up a free copy of IRS Publication 575 "Pension and Annuity Income" at your local IRS office.

Direct Rollover Distributions

If you receive your benefit in a single sum cash payment, you may choose to have all or part of such payment rolled over to another qualified plan that accepts rollovers, a tax-sheltered annuity under Code Section 403(b) that accepts rollovers, a deferred compensation plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or to an IRA (including a Roth IRA). The portion of your benefit that is directly rolled over will be exempt from the mandatory 20% tax withholding rules that are otherwise applicable to single sum cash payments.

If your spouse or other beneficiary receives payment of a benefit in a single sum, he or she may also be eligible to have all or part of such payment directly rolled over to another eligible plan or IRA. Generally, your spouse or a former spouse who is an alternate payee under a qualified domestic relations order may roll over an eligible distribution to an IRA (including a Roth IRA) or to any other eligible plan, as described above. Your non-spouse beneficiary (who is your designated beneficiary under IRS rules) may also elect a direct rollover. However, he or she may only direct a rollover to an IRA (including a Roth IRA). The IRA must be identified as an inherited IRA and is subject to special distribution rules.

The Plan Administrator will provide you with more detailed information as to how to elect a direct rollover. However, for more information as to the tax consequences related to single sum cash payments that are not directly rolled over to a qualified defined contribution plan or IRA, you should consult your own tax advisor.

Forms Of Benefit Payment

If the value of your vested benefit is over $5,000, distribution of your benefit will automatically take the form of an annuity.

An annuity is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different annuity arrangements. Depending on your choice, you can even provide a lifetime monthly income to your spouse or another beneficiary if you die after your Annuity Starting Date.

In the following sections, we will discuss the normal form of payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your spouse's consent to elect a form of payment other than the normal form of payment.

Under special IRS rules, you may not elect a form of payment that is expected to provide a plan benefit to your designated beneficiary that is more than incidental when compared to the benefit amount expected to be paid to you. An exception to this rule applies if your beneficiary is your spouse.

Normal Form Of Payment

The annuity form under which your Plan benefit is normally paid -- that is, the way it automatically will be paid to you unless you waive it and make another election -- depends on whether you have a spouse on your Annuity Starting Date (the date as of which payments start). Generally under the Plan, your spouse is the person to whom you are legally married under the laws of the State in which the marriage occurred.

Normal Form Of Payment For Married Employees

If you are married, the normal form of payment is a Qualified Joint and Survivor Annuity. This provides a benefit for you and your spouse, so long as he or she is the same person to whom you are married at your Annuity Starting Date. Your benefit will be paid to you as long as you live. However, since this form of payment provides for payment over two lifetimes (yours and your spouse's), the amount you receive will be less than if it were paid only during your lifetime. If you die after your Annuity Starting Date, your spouse will receive a lifetime income equal to 50% of what you were receiving when you died. Instead of a 50% continuation you may elect under the Joint and Survivor form of payment to have 66 2/3% or 100% of the benefit you were receiving continued to your spouse.

When your spouse dies, your beneficiary will receive your required Pick-Up Contributions with interest, *less* any retirement income payments already made.

The Plan Administrator will give you information about the joint and survivor benefit and your other retirement options between 30 and 90 days before your benefit payments begin. If you don't want the joint and survivor coverage, you must notify the Plan Administrator in writing before your retirement date.

However, your spouse must consent in writing to your election out of joint and survivor coverage and into an optional form of payment. This consent may be given in either of the following ways:

- Your spouse's consent may specifically acknowledge a non-spouse beneficiary and/or method of payment, in which case any future change of beneficiary designation and/or method of payment must have your spouse's written consent; or

- Your spouse's consent may expressly allow you to designate any non-spouse beneficiary and/or choose any method of payment, in which case any future changes would not require your spouse's consent.

In either case, your spouse's written consent must be witnessed by a Plan representative or notary. Your decision to keep the joint and survivor coverage or elect a different form of payment becomes final when you retire and cannot be changed later.

Normal Form Of Payment For Unmarried Employees

If you are not married, your benefit will be paid in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live.

If after you die the total amount of benefits you have received as of the date of your death is less than your total Pick-Up Contributions with interest, your beneficiary will receive the difference.

Other Payment Options

The Plan also offers additional payment options which may suit your needs better than the normal form just described. During the 90-day period before your Annuity Starting Date you can elect one of the following optional methods of payment instead of the above method. If you are married, your spouse must consent to this election.

Single Life Annuity

If you are married, the Plan permits you to waive the qualified Joint and Survivor Annuity and receive your plan benefit in the form of a single life annuity -- that is, in level monthly payments to you as long as you live, based on your monthly plan benefit as described in the section titled

"*How Your Plan Benefit Is Calculated*". Under this form of payment, you will receive a larger plan benefit than you would have received under the qualified Joint and Survivor Annuity, but generally no survivor benefits will be paid after your death.

Ten Year Certain and Life Option

If you choose this option, you will receive a reduced retirement income for life, but with a minimum guarantee of 10 years' payments. If you die after your Annuity Starting Date but before receiving payments for ten years, the payments will be continued to your beneficiary for the rest of the ten-year period.

Joint and Survivor Annuity

The Joint and Survivor Annuity (otherwise known as the Contingent Pensioner Option) will provide you with reduced monthly payments for life but, at your death, payments will continue to a beneficiary (any person you choose) for as long as that person lives. These payments may be 100%, 66 2/3% or 50% of your reduced plan benefit.

If you continue to work after your Normal Retirement Date, you may elect one of the above optional methods of payment. If you are married, you must waive the automatic preretirement spouse benefit coverage (with your spouse's consent). However, when you do decide to retire, if you wish to receive your retirement income payments under an optional form of payment, you must also waive the Qualified Joint and Survivor Annuity normal form of payment (again, with your spouse's consent) and elect the desired option during the 90 days before your retirement.

If you continue to work after your Normal Retirement Date but die before you actually retire, your date of death will be considered to be your retirement date.

If one of the Joint and Survivor Annuity options or the Ten Year Certain and Life Option is in effect, your beneficiary will receive payments when you die.

If after you and your primary beneficiary die the total amount of benefits paid to you and your primary beneficiary is less than the value of your required contributions, plus interest, on your Annuity Starting Date, your designated secondary beneficiary will receive the remaining amount at the time of the death of you or your primary beneficiary, whoever survives longer. However, if the total amount of benefits paid to you and your primary beneficiary before death is more than the value of your required contributions, plus interest, on your Annuity Starting Date, your designated secondary beneficiary will not receive any payment.

Death Benefits Before Your Retirement Date

Married Participant

Your spouse will be eligible for benefits if you die and meet the applicable requirements described in the provisions of Spouse Benefit I or Spouse Benefit II below.

<u>Spouse Benefit I</u>. Your spouse will be eligible for this benefit if:

- you were married at the time of your death, and
- your termination of employment date, Early Retirement Date or Normal Retirement Date has not occurred, and
- you have reached age 55, and
- you have completed 10 years of Service.

Under Spouse Benefit I, your spouse will receive 50% of your retirement income (based on your years of Credited Service to your date of death), payable for life and with no reduction for early retirement if payments commence to your spouse before the date that would have been your Normal Retirement Date.

However, this benefit will be reduced by 1% for each full year if your spouse is more than 10 years younger than you.

When your spouse dies, your beneficiary will receive the remainder, if any, of your Pick-Up Contributions with interest.

Spouse Benefit II. If you are not eligible for the benefit described above, your spouse will receive the following benefit if:

- you were married at the time of your death, and
- you had a vested right to retirement income payments, and
- you had not elected to waive spouse benefit coverage, and
- you had not yet started receiving retirement income payments.

Under Spouse Benefit II, your spouse will receive 50% of the amount you would have received had you retired on the date of your death with the Qualified Joint and Survivor Annuity form of payment.

The benefit amount will be based on your years of Credited Service prior to your date of death and then reduced for the joint and survivor form of payment and early retirement if payments begin prior to your Normal Retirement Date. The benefit will be payable monthly to your surviving spouse.

When your spouse dies after preretirement spouse benefit payments have begun, your beneficiary will receive your required Pick-Up Contributions with interest, *less* any retirement income payments already made.

If benefit payments are payable in accordance with Spouse Benefit I, your spouse can choose to begin receiving the payments as early as the first day of the month following your death.

If benefit payments are payable in accordance with Spouse Benefit II, the earliest your spouse can choose to begin receiving payments is your earliest retirement age (the earliest possible age you are entitled to this benefit is age 55 but after completing at least 10 years of Service) or, if that date has passed, the first day of the month following your death.

If your spouse does not consent to the applicable starting date above, he or she may choose to defer receiving income up to the later of the date you would have reached your Normal Retirement Date or age 62.

Also, whether the preretirement spouse benefit is payable in accordance with Spouse Benefit I or II, if your spouse chooses to defer payment of benefits and then dies before the deferred payment start date, no retirement income payments will be payable, except as otherwise provided below.

If You Are Not Married

If you die before your Normal Retirement Date, your beneficiary will receive your required Pick-Up Contributions, with interest. Otherwise, no other death benefit will be payable.

However, if you continue to work after your Normal Retirement Date but die before your Annuity Starting Date, you can elect an optional method of payment to take effect in the event of your death or retirement after your Normal Retirement Date. In this case, payment will be made in accordance with the optional method of payment you elected.

Special Rules Applicable To Participants Who Die During Military Absence

If you are absent from employment with the Employer because of military service and die after December 31, 2006, while performing qualified military service (as defined under the Internal Revenue Code), you will be treated as having returned to employment with the Employer on the day before your death for purposes of determining your vested benefit and your beneficiary's eligibility for a survivor death benefit. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, you will not earn additional benefits with respect to your period of military leave.

If you die on or after January 1, 2007, under the conditions described in the preceding paragraph, you will also be treated as having returned to employment with the Employer on the day before your death for purposes of determining your eligibility for and the amount of any additional benefit to which you would have been entitled for your period of military service if you had returned to work following your service. For this purpose, you will be treated as if your employment had terminated on your date of death.

Disability

If you become disabled while actively employed, and you are eligible for benefits from your Employer's disability program, you will continue to receive Service (for vesting) while you are collecting these disability benefits. However, you will not receive Credited Service (for benefit purposes) during this period.

Circumstances That May Affect Your Plan Benefit

The following conditions may cause your benefit to be denied, reduced or suspended:

- If you don't return to work within 12 months of the date your Service ends, it may be a break-in-service. This could affect the amount of your retirement benefit.
- If you are disabled, your retirement benefit will be based only on the Credited Service you earned before the disability.
- If you waive the Qualified Joint And Survivor Annuity (with spousal consent) and then die after your Annuity Starting Date, your spouse will have no right to any portion of your vested benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.
- If you waive the preretirement spouse benefit (with spousal consent) and elect an optional form of payment and then die *after* your Normal Retirement Date while an active employee, your spouse will have no right to any portion of your benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.
- If the value of your benefit is $5,000 or less, your benefit may be paid as a single cash payment at the time you terminate employment. If you are 100% vested and receive such a payment, you will not have a right to any further benefit under the Plan unless you are rehired and earn additional benefits under the Plan.
- If you divorce, the court may direct that all or part of your benefit be paid to an alternate payee. This alternate payee will generally be your ex-spouse or your children. The Plan Administrator will notify you upon receiving such an order and will tell you what effect it has on your benefit.

Receiving Your Plan Benefit

Applying For Your Benefit

You or your beneficiary will need to complete a benefit claim form available from the Plan Administrator. This form will allow the Plan Administrator to calculate your benefit and begin to process it.

Payment Of Your Benefit

If your claim is approved, payments will be mailed to you monthly. Again, if the value of your vested benefit is $5,000 or less, payment may be made in a single sum cash payment.

Getting Your Questions Answered

The Town of Easton and the Easton Utilities Commission have been designated as the Plan Administrator. Any information about the Plan may be obtained by contacting the Town of Easton.

- Address: Town of Easton, Maryland, P.O. Box 520
14 South Harrison Street
Easton, MD 21601
- Phone: 410 822 2525

Additional Information

- Plan Name: Town of Easton, Maryland Employees' Pension Plan
- Effective Date: The Plan was established on August 1, 1973 and most recently revised on August 1, 2021.
- Plan Year: The Plan Year is the 12-month period ending on July 31.
- Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.
- Plan Sponsor: Town of Easton, Maryland, P.O. Box 520
14 South Harrison Street
Easton, MD 21601
- Employer: Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)
- Plan Sponsor EIN: 52-6000787
- Plan Number: 001
- Type Of Plan: This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.
- Type Of Administration: Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.

- Plan Costs: The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.

Continuation Of The Plan

While your Employer fully intends to continue the Plan indefinitely, it does reserve the right to modify, suspend or terminate the Plan at any time. However, no modification, suspension or termination of the Plan may reduce any benefits you have already accrued.

Should the Plan be terminated, you will not earn any additional benefits, but you will be 100% vested in your accrued benefit at the time of the Plan's termination. The assets of the Plan will be allocated to provide all accrued benefits and meet any other legal requirements. After such allocation is completed, any remaining assets will be paid to the Employer.

Assets are allocated to provide accrued benefits according to a schedule mandated by law.

Summary Plan Description
for
Town of Easton, Maryland Employees'
Pension Plan

~~August 2013~~
~~Division A - Non-Pick up provisions~~

August 2021
Division A –Non-Pick up Provisions

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Introduction

To our employees:

The Town of Easton is pleased to present you with this booklet which summarizes our pension Plan. Along with Social Security and your own financial resources, this Plan will help you enjoy a comfortable and secure retirement.

While we have attempted to highlight the most important features of the Plan, please bear in mind that the actual Plan document, which is available for your inspection, is the last word in any matters of decision or interpretation.

We appreciate your loyalty and dedication and want this Plan to be a meaningful part of your retirement finances. As such, we continually review the Plan's provisions to recognize changes in plan design or to conform with government regulations. You will be informed of any such developments.

We urge you to read this booklet carefully for a better understanding of the benefits that are available to you at retirement. This description summarizes the Plan in effect on August 1, ~~2013~~2021 and updates and replaces any prior descriptions. Employees whose employment terminated before August 1, ~~2013~~2021 may be subject to different Plan provisions.

Please remember, however, that this information is only an *overview* of the Plan's important provisions. Full details can be found in the legal Plan document which is available for your review in the Human Resources Office during regular business hours. You should consult the Plan document itself if you have any questions about the Plan or your Plan Benefits that are not answered by this booklet.

If you would like your own copy of the Plan document, you may obtain a copy by writing to the Plan Administrator whose location is listed in this booklet's section entitled "*Getting Your Questions Answered*". There may be a small charge for this service.

Effective Date

The Town of Easton, Maryland Employees' Pension Plan was established on August 1, 1973, and most recently revised on August 1, ~~2013~~2021 to reflect all current legislation.

Plan Year

The Plan Year is the 12-month period beginning on August 1 each year and ending on July 31.

Participation

If you were a Plan Participant on the day before July 1, 2008, you will continue to be a Participant in the revised Plan.

On and after July 1, 2008, no new employees will become participants under the Plan. However, if you were a former participant who is rehired on or after July 1, 2008, you will be treated as a participant for ~~for~~ purposes of accruing Service for vesting and early retirement eligibility and accruing additional Earnings for determining the amount of your actual benefit at retirement.

Your Service

Your years of employment with the Town of Easton or the Easton Utilities Commission count as Service. You earn Service based on the number of whole years and full months you are employed.

1) ~~1.~~ Absence after your Service ends if you return to work within a year.

2) ~~2.~~ An authorized leave of absence up to two years, if you return to employment when your leave is over. (If you don't return, Service won't be counted after the first 12 months of leave.)

3) ~~3.~~ Absence because of sickness, disability, layoff, etc. (If you don't return within 12 months, Service won't be counted after the first 12 months.)

4) ~~4.~~ Periods of time you are absent from work because of service with the armed forces of the United States. However, you will receive credit for these periods of time only if you are eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and return to work for your Employer within the period during which you retain such reemployment rights.

5) ~~5.~~ A leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Service will be credited to the extent required by the provisions of the Family and Medical Leave Act.

6) ~~6.~~ A maternity/paternity absence up to two years because of pregnancy and the birth of a child or the adoption and placement of a child.

Your Credited Service

Credited Service is the portion of your employment that is used in calculating the *amount* of your benefit. The amount of your Credited Service may differ from your Service.

How You Earn Credited Service

Credited Service consists of the whole years and full months you have been employed by the Town of Easton or the Easton Utilities Commission (as a Division A employee), regardless of the number of hours worked.

A Division A employee is an employee who is one of the following classifications:

1) ~~(1)~~ Communication Police Officers;

2) ~~(2)~~ Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected not to be covered by the Pick-Up Contribution provisions on and after March 1, 1995;

3) ~~(3)~~ Town Workers; and

4) ~~(4)~~ Utility Workers.

Credited Service includes all periods of employment except the following:

- Periods of employment in excess of 25 years of Credited Service.

- Periods of employment while you are in a job classification that is not covered by the Plan.

- Periods of employment on and after July 1, 2008 (except if you are a Sworn Police Officer who was hired prior to March 1, 1995- you will continue to accrue Credited Service).

Absences That Qualify As Credited Service

Absences which qualify as Service (see the information under the heading "*Your Service*") do *not* count as Credited Service, unless you are absent for any of the following reasons:

- Absence without termination of up to 12 months

- Absence because of military service if you return to employment with your Employer while your reemployment rights are protected under federal law

What Happens If You Terminate Employment And Are Rehired?

If you leave employment *before you are vested* (i.e., before you have 5 years of Service) and are later rehired, your Service will be determined as follows:

Your Service before your Severance from Service Date won't count if your break-in-service equals or exceeds the greater of 5 years, or your years of Service before the break. For example, if you had three years of Service as of your Severance from Service Date and you are rehired 6 years later, your break exceeds the greater of 5 years or your prior years of Service. Therefore, your prior years of Service wouldn't count.

However, your Service before your Severance from Service Date *will count* if your break-in-service is less than the greater of 5 years, or your years of Service before the break.

If you leave employment *vested* and you are later rehired, your prior years of Service and years of Service after the break will be added together.

Your Severance from Service Date is the first day of the month on or following the earliest of:

1) ~~1.~~ the date you quit, are discharged, retire or die,

2) ~~2.~~ the first anniversary of the date your leave of absence started if you do not return to work by the second anniversary of that date,

3) ~~3.~~ the first anniversary of the date you are absent for most other reasons, such as vacation or ~~lay-off~~layoff,

4) ~~4.~~ the second anniversary of the date on which the Employee is first absent from service for maternity or paternity leave.

If you become disabled while actively employed, and you are either eligible for benefits from your Employer's disability program, or are being paid under a salary continuation program, you will continue to receive Service for vesting while you are collecting disability benefits.

Your Earnings

Earnings Defined

The term "Earnings" means your wages received from the Town of Easton and reported to you for federal income tax purposes on your Form W-2. Earnings also include contributions made on your behalf under salary deferral arrangements.

If you have a severance of employment with the Town of Easton, Earnings does not include amounts received by you following such severance of employment unless such amounts are paid to you as differential pay. For purposes of this paragraph, "differential pay" means any payment made to you by the Town of Easton for periods during which you are performing military service while on active duty for a period of more than 30 days, but only to the extent such amounts do not exceed the amounts you would have received if you had continued in employment with the Town of Easton.

Measuring Earnings

- ~~•~~ *Earnings Limitation.* ~~The~~ If you became a participant in the Plan on or after July 31, 1995, the yearly amount of Earnings that may be used in determining your Plan Benefit cannot exceed the annual limit imposed by the federal government. This limit was increased effective for Plan Years beginning on and after ~~January~~August 1, 2002 to $200,000, adjusted for cost of living. The adjusted annual limit for Earnings in ~~2013~~2021 is $~~255,000~~290,000. The annual limit ~~applicable to your Earnings for years~~for Plan Years beginning before ~~the effective date of the increase is~~August 1, 2002 was also increased to $200,000.

- ~~•~~ Earnings are measured over calendar years.

Your Average Annual Earnings

The term "Average Annual Earnings" means your highest annual Earnings received during any 5 consecutive years in the last 10 years before the earlier of your retirement date or the date you leave employment.

If you have received Earnings for 5 or fewer consecutive calendar years, the annual average is taken by using the consecutive calendar years that are available.

However, the following calendar years will be excluded when determining your Average Annual Earnings:

- Calendar years in which you terminate employment, if that would result in a higher average.
- Calendar years in which you perform services for fewer than six months.

Covered Compensation

The term "Covered Compensation" means the average annual Earnings used to calculate your Social Security benefit. Your Covered Compensation is determined by the year in which you reach your Social Security Retirement Age, and assumes you will earn the maximum amount taxable by Social Security up to that time.

The Covered Compensation scale is adjusted periodically, and your scale will be the one that is being used when you retire or cease employment.

The term "Social Security Retirement Age" means the age at which you are eligible to receive unreduced benefits from Social Security. If you were born before January 1, 1938, this is age 65. If you were born on or after January 1, 1938 but before January 1, 1955, this is age 66. If you were born on or after January 1, 1955, this is age 67.

Your Age At Which Payments Begin

As an alternative to retiring on your Normal Retirement Date, you may choose an Early Retirement Date or a Late Retirement Date. Obviously, the age at which you choose to retire and begin receiving your benefit affects the amount of Service and Credited Service you earn and the period of time over which your benefit will be paid.

Normal Retirement Date

If you became a Participant in the Plan before August 1, 1988, your Normal Retirement Date is the day you reach age 60.

If you became a Participant in the Plan on or after August 1, 1988, your Normal Retirement Date is the day you reach age 60 or, if later, the fifth anniversary of the first day of the Plan Year in which you became a Plan participant.

If you retire on your Normal Retirement Date, your retirement income will begin on the first day of the month on or after that date. As an alternative, you may remain employed beyond your Normal Retirement Date and retire on a Late Retirement Date.

Early Retirement Date

You may retire before your Normal Retirement Date if you have reached age 55 and have completed at least ten years of Service. Thus, your Early Retirement Date can be any date after you are age 55 and before your Normal Retirement Date, as long as you have at least ten years of Service.

Late Retirement Date

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date.

How Your Plan Benefit
Is Calculated

Your benefit is calculated in terms of the retirement date options that are offered under the Plan.

Normal Retirement

If you retire on your Normal Retirement Date, your benefit payments will begin on the first day of the month which coincides with or follows that date.

Your monthly Normal Retirement Benefit is calculated as follows:

1) 1.4 % of your Average Annual Earnings

   multiplied by

   your years of Credited Service up to July 1, 2008 or your termination of employment date if earlier.

   plus

2) ~~.~~45 % of your Average Annual Earnings in excess of Covered Compensation

   multiplied by

   your years of Credited Service up to July 1, 2008 or your termination of employment date if earlier.

~~[~~***Note that if you are a Sworn Police Officer, you will continue to ~~accrue~~earn Credited Service~~]~~ after July 1, 2008.***

No more than 25 years of Credited Service are used in calculating your Normal Retirement Benefit. If your Credited Service exceeds the maximum allowed, the maximum will be used when calculating your Normal Retirement Benefit.

~~In addition to the benefit described above, if you had accumulated Participant's Post Tax Contributions (required contributions made prior to July 31, 1973), you will be able to elect prior to your retirement date one of the following settlements for your Participant's Post Tax Contributions.~~

~~1. to receive an additional amount of retirement income which can be provided by these Participant's Post Tax Contributions with interest, or~~

~~2. to receive a lump sum refund in an amount equal to your Participant's Post Tax Contributions with interest.~~

Supplementary Benefit

If you retire early or on or after your Normal Retirement Date but before age 62, you will be eligible for a Supplementary Benefit in addition to your retirement income described above. The yearly amount of such benefit will be equal to your Social Security Benefit at age 62. (If you provide a Social Security statement to the Administrator, your Social Security Benefit will be determined using your actual earnings. Otherwise, your Social Security Benefit will be estimated for years before you are employed by the Town of Easton and years after your retirement.)

Such Supplemental Benefit will be payable from your Normal Retirement Date until your 62nd birthday.

Early Retirement

Your Early Retirement Benefit payments may begin as early as the first day of the month following the month you actually cease employment. However, payments must begin no later than your Normal Retirement Date.

The Early Retirement Benefit calculation is basically the same as the Normal Retirement Benefit calculation, but includes adjustments made by **an *early retirement commencement factor***. The early retirement commencement factor, based on the age at which you start to receive benefit payments, reduces your monthly benefit to account for the additional years during which you'll receive payments.

Late Retirement

In general, Late Retirement Benefit payments must begin no later than the April 1 following the later of the year you reach age 70 1/2 or the year you retire.

Your monthly Late Retirement Benefit will be ~~equal to~~ the greater of:

1) ~~1)~~ Your Normal Retirement Benefit, but calculated using your Credited Service (up to ~~July 1, 2008 or~~ the date you terminate employment or, if you are not a Sworn Police Officer, July 1, 2008, if earlier) and Earnings to the date you actually retire or

2) ~~2)~~ Your Normal Retirement Benefit calculated using your Credited Service ~~(~~only up to your Normal Retirement Date (or, if you are not a Sworn Police Officer, July 1, 2008 ~~or the date you terminate employment~~, if earlier) and your Earnings as of your Normal Retirement Date, actuarially increased (based on specified interest and mortality factors) for the period from your Normal Retirement Date to the date benefit payments begin.

When You Terminate Employment

The Plan provides a retirement benefit for Participants who terminate employment before they are eligible to retire, provided they are vested. To be vested is to have earned a non-forfeitable right to your accrued benefit.

The amount of benefit to which you are entitled is called your vested benefit.

Your vested benefit will be a percentage of the benefit described under the heading "*Normal Retirement*". The percentage is taken from this schedule:

Years of Service	Percentage of Normal Retirement Benefit
If you have less than 5 years:	0%
If you have 5 years:	100%

~~Years of Service~~	~~Percentage of Normal Retirement Benefit~~
~~If you have less than 5 years:~~	~~0%~~
~~If you have 5 years:~~	~~100%~~

If you are an active employee on your Normal Retirement Date, you are automatically 100% vested regardless of your years of Service.

~~In addition, you will always be 100% vested in your Participant's Post Tax Contributions, if any.~~

Payment of Your Vested Plan Benefit

Unless your vested benefit is cashed out as described in "*Cashouts*" below, it will be paid beginning on your Normal Retirement Date.

Instead of waiting until your Normal Retirement Date to begin receiving benefit payments, you may elect to start receiving your retirement income on the first day of any month before your Normal Retirement Date, provided you have completed 10 years of Service.

If you do choose to begin receiving your vested benefit before your Normal Retirement Date, your vested benefit will be adjusted by an early retirement commencement factor (see the information under the heading "*Early Retirement*").

~~If you were a Plan Participant before July 31, 1973, the following special rules shall apply to the amount of required Participant's Post Tax Contributions you had made to the Plan. Upon termination of employment, you may either:~~

~~1. elect to receive a cash refund of your total Participant's Post Tax Contributions with credited interest as provided in the Plan; or~~

~~2. leave your total Participant's Post Tax Contributions in the Plan to provide additional retirement income beginning on the first day of the month on or after your Normal Retirement Date.~~

Cashouts

If the present value of your benefit is greater than $5,000, payment of your vested benefit will begin on your Normal Retirement Date (or earlier if you are eligible and elect to start payments early). If it is less than $5,000, it will be paid out in a single sum cash payment (see "*Single Sum Cash Payment*" below) as soon as administratively practicable following your termination of employment.

Single Sum Cash Payment

When The Value Of Your Plan Benefit Is $5,000 Or Less

If the value of your vested benefit is $5,000 or less, your vested benefit may be paid in a single sum cash payment at the time your employment terminates. The single sum payment will be equal to the full value of your vested benefit at that time. You cannot elect another form of payment. Please refer to the section "*Direct Rollover Distributions*" for important information regarding single sum cash payments.

Similarly, if the value of the benefit payable to your spouse or other beneficiary after your death is $5,000 or less, payment may be made in a single sum cash payment.

Election to Receive Single Sum Cash Payments

If the value of your vested benefit is $5,000 or less, you will be given the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election and the present value of your vested benefit is $1,000 or less, a single sum cash payment will be made directly to you, whether or not you elect to receive such payment. If you do not make an election and the present value of your vested benefit is more than $1,000, your vested benefit will continue to be held under the Plan until either (i) you affirmatively elect to receive distribution or (ii) you reach the later of age 62 or your Normal Retirement Date.

Tax Treatment

If you terminate employment before age 55 and receive a single sum cash payment of your benefit, your benefit may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will *not* apply to ~~taxable~~ benefit payments that are:

- Made after you reach age 59 1/2 or
- Made to your beneficiary when you die or
- Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return or

- Made under the terms of a domestic relations order.

~~The taxable benefit is the amount left after your own contributions are disregarded. You already paid taxes on your own contributions at the time you contributed them to the Plan, so they are not taxable now.~~ You will be provided with information regarding the tax consequences of your distribution, when it is made. However, you should consult your own tax advisor for more complete information regarding your own situation. For the most current tax information, pick up a free copy of IRS Publication 575 "Pension and Annuity Income" at your local IRS office.

Direct Rollover Distributions

If you receive your benefit in a single sum cash payment, you may choose to have all or part of such payment rolled over to another qualified plan that accepts rollovers, a tax-sheltered annuity under Code Section 403(b) that accepts rollovers, a deferred compensation plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or to an IRA (including a Roth IRA). The portion of your benefit that is directly rolled over will be exempt from the mandatory 20% tax withholding rules that are otherwise applicable to single sum cash payments.

If your spouse or other beneficiary receives payment of a benefit in a single sum, he or she may also be eligible to have all or part of such payment directly rolled over to another eligible plan or IRA. Generally, your spouse ~~(as defined under Federal law)~~ or a former spouse who is an alternate payee under a qualified domestic relations order may roll over an eligible distribution to an IRA (including a Roth IRA) or to any other eligible plan, as described above. Your non-spouse beneficiary (who is your designated beneficiary under IRS rules) may also elect a direct rollover. However, he or she may only direct a rollover to an IRA (including a Roth IRA). The IRA must be identified as an inherited IRA and is subject to special distribution rules.

The Plan Administrator will provide you with more detailed information as to how to elect a direct rollover. However, for more information as to the tax consequences related to single sum cash payments that are <u>not</u> directly rolled over to a qualified defined contribution plan or IRA, you should consult your own tax advisor.

Forms Of Benefit Payment

If the value of your vested benefit is over $5,000, distribution of your benefit will automatically take the form of an annuity.

An annuity is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different annuity arrangements. Depending on your choice, you can even provide a lifetime monthly income to your spouse or another beneficiary if you die after your Annuity Starting Date.

In the following sections, we will discuss the normal form of payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your spouse's consent to elect a form of payment other than the normal form of payment.

Under special IRS rules, you may not elect a form of payment that is expected to provide a plan benefit to your designated beneficiary that is more than incidental when compared to the benefit amount expected to be paid to you. An exception to this rule applies if your beneficiary is your spouse ~~(as defined under Federal law, see "*Normal Form of Payment*" below)~~.

Normal Form Of Payment

The annuity form under which your Plan benefit is normally paid -- that is, the way it automatically will be paid to you unless you waive it and make another election -- depends on whether you have a spouse on your Annuity Starting Date (the date as of which payments start). Generally under the Plan, your spouse is the person to whom you are legally married under the laws of the State in which ~~you reside~~the marriage occurred.

Normal Form Of Payment For Married Employees

If you have a spouse, the normal form of payment is a Qualified Joint and Survivor Annuity. This provides a benefit for you and your spouse, so long as he or she is the same person to whom you are married to on your Annuity Starting Date. Your benefit will be paid to you as long as you live. However, since this form of payment provides for payment over two lifetimes (yours and your spouse's), the amount you receive will be less than if it were paid only during your lifetime. If you die after your Annuity Starting Date, your spouse will receive a lifetime income equal to 50% of what you were receiving when you died. Instead of a 50% continuation you may elect under the joint and survivor form of payment to have 66 2/3% or 100% of the benefit you were receiving continued to your spouse.

~~When your spouse dies, your beneficiary will receive your required Participant's Post Tax Contributions, if any, with interest, *less* any retirement payments already made.~~
The Plan Administrator will give you information about the joint and survivor benefit and your other retirement options between 30 and 90 days before your benefit payments begin. If you don't want the joint and survivor coverage, you must notify the Plan Administrator in writing before your retirement date.

However, your spouse must consent in writing to your election out of joint and survivor coverage and into an optional form of payment. This consent may be given in either of the following ways:

- Your spouse's consent may specifically acknowledge a non-spouse beneficiary and/or method of payment, in which case any future change of beneficiary designation and/or method of payment must have your spouse's written consent; or

- Your spouse's consent may expressly allow you to designate any non-spouse beneficiary and/or choose any method of payment, in which case any future changes would not require your spouse's consent.

In either case, your spouse's written consent must be witnessed by a Plan representative or notary. Your decision to keep the joint and survivor coverage or elect a different form of payment becomes final when you retire and cannot be changed later.

Normal Form Of Payment For Unmarried Employees ~~Not Married~~

If you do not have a spouse, your benefit will be paid in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live.

~~If after you die the total amount of benefits you have received as of the date of your death is less than your Participant's Post Tax Contributions (if any) with interest, your beneficiary will receive the difference.~~

Other Payment Options

The Plan also offers additional payment options which may suit your needs better than the normal form just described. During the 90-day period before your Annuity Starting Date you can elect one of the following optional methods of payment instead of the above method. If you are married, your spouse must consent to this election.

Single Life Annuity

If you have a spouse, the Plan permits you to waive the qualified Joint and Survivor Annuity and receive your plan benefit in the form of a single life annuity ~~-~~- that is, in level monthly payments to you as long as you live, based on your monthly plan benefit as described in the section titled "*How Your Plan Benefit Is Calculated*". Under this form of payment, you will receive a larger plan benefit than you would have received under the Qualified Joint and Survivor Annuity, but generally no survivor benefits will be paid after your death.

Ten Year Certain and Life Option

If you choose this option, you ~~would~~will receive a reduced retirement income for life, but with a minimum guarantee of 10 years' payments. If you die after your ~~Anuity~~Annuity Starting Date but before receiving payments for ten years, the payments will be continued to your beneficiary for the rest of the ten-year period.

Joint ~~And~~and Survivor Annuity

The Joint and Survivor Annuity (otherwise known as the Contingent Pensioner Option) will provide you with reduced monthly payments for life but, at your death, payments will continue to a beneficiary (any person you choose) for as long as that person lives. These payments may be 100%, 66 2/3% or 50% of your reduced plan benefit.

If you continue to work after your Normal Retirement Date, you may elect one of the above optional methods of payment. If you are married, you must waive the automatic preretirement spouse benefit coverage (with your spouse's consent). However, when you do decide to retire, if you wish to receive your retirement income payments under an optional form of payment, you must also waive the Qualified Joint and Survivor Annuity normal form of payment (again, with your spouse's consent) and elect the desired option during the 90 days before your retirement.

If you continue to work after your Normal Retirement Date but die before you actually retire, your date of death will be considered to be your retirement date.

If one of the Joint and Survivor Annuity options or the Ten Year Certain and Life Option is in effect, your beneficiary will receive payments when you die.

Death Benefits Before Your Retirement Date

Married Participant

Your spouse will be eligible for benefits if you die and meet the applicable requirements described in the provisions of Spouse Benefit I or Spouse Benefit II below.

Spouse Benefit I. Your spouse will be eligible for this benefit if:

- you were married at the time of your death, and
- your termination of employment date, Early Retirement Date or Normal Retirement Date has not occurred, and
- you have reached age 55, and
- you have completed 10 years of Service.

Under Spouse Benefit I, your spouse will receive 50% of your retirement income (based on your years of Credited Service to your date of death), payable for life and with no reduction for early retirement if payments commence to your spouse before the date that would have been your Normal Retirement Date.

However, this benefit will be reduced by 1% for each full year if your spouse is more than 10 years younger than you.

~~When your spouse dies, your beneficiary will receive the remainder, if any, of your required Participant's Post Tax Contributions, if any, with interest. If you have Participant's Post Tax Contributions, upon your death, your spouse can elect to receive the additional retirement income which can be provided with the Post Tax contributions or she can receive a lump sum refund.~~
Spouse Benefit II. If you are not eligible for the benefit described above, your spouse will receive the following benefit if:

- you were married at the time of your death, and
- you had a vested right to retirement income payments, and
- you had not elected to waive spouse benefit coverage, and
- you had not yet started receiving retirement income payments.

Under Spouse Benefit II, your spouse will receive 50% of the amount you would have received had you retired on the date of your death with the Joint and Survivor Annuity form of payment.

The benefit amount will be based on your years of Credited Service prior to your date of death and then reduced for the Joint and Survivor Annuity form of payment and early retirement if payments begin prior to your Normal Retirement Date. The benefit will be payable monthly to your surviving spouse.

~~If you had Post Tax Contributions and your spouse dies after preretirement spouse benefit payments have begun, your beneficiary will receive your Post Tax Contributions with interest, *less* any retirement income payments already made. If your spouse had already elected to receive a lump sum refund of your Post Tax contributions, these would not be payable to the beneficiary.~~
If benefit payments are payable in accordance with Spouse Benefit I, your spouse can choose to begin receiving the payments as early as the first day of the month following your death.

If benefit payments are payable in accordance with Spouse Benefit II, the earliest your spouse can choose to begin receiving payments is your earliest retirement age (the earliest possible age you would have been eligible to retire) or, if that date has passed, the first day of the month following your death.

If your spouse does not consent to the applicable starting date above, he or she may choose to defer receiving income up to the later of the date you would have reached your Normal Retirement Date or age 62.

Also, whether the preretirement spouse benefit is payable in accordance with Spouse Benefit I or II, if your spouse chooses to defer payment of benefits and then dies before the deferred payment start date, no retirement income payments will be payable, except as otherwise provided below.

If You Are Not Married

If you die before your Normal Retirement Date, ~~your beneficiary will only receive a death benefit if you had Participant's Post Tax Contributions. In that case, your beneficiary will receive your Post Tax Contributions with interest. Otherwise,~~ no ~~other~~ death benefit will be payable.

However, if you continue to work after your Normal Retirement Date but die before your Annuity Starting Date, you can elect an optional method of payment to take effect in the event of your death or retirement after your Normal Retirement Date. In this case, payment will be made in accordance with the optional method of payment you elected.

If you ~~had no Post Tax Contributions and did~~ continue to work after your Normal Retirement Date and do not have an optional method of payment in effect, no death benefit will be payable to your beneficiary.

Special Rules Applicable To Participants Who Die During Military Absence

If you are absent from employment with the Employer because of military service and die after December 31, 2006, while performing qualified military service (as defined under the Internal Revenue Code), you will be treated as having returned to employment with the Employer on the day before your death for purposes of determining your vested benefit and your beneficiary's eligibility for a survivor death benefit. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, you will not earn additional benefits with respect to your period of military leave.

If you die on or after January 1, 2007, under the conditions described in the preceding paragraph, you will also be treated as having returned to employment with the Employer on the day before your death for purposes of determining your eligibility for and the amount of any additional benefit to which you would have been entitled for your period of military service if you had returned to work following your service. For this purpose, you will be treated as if your employment had terminated on your date of death.

Disability

If you become disabled while actively employed, and you are eligible for benefits from your Employer's disability program, you will continue to receive Service (for vesting) while you are collecting these disability benefits. However, you will not receive Credited Service (for benefit purposes) during this period.

Circumstances That May Affect Your Plan Benefit

The following conditions may cause your benefit to be denied, reduced or suspended:

- If you don't return to work within 12 months of the date your Service ends, it may be a break-in-service. This could affect the amount of your retirement benefit.

- If you are disabled, your retirement benefit will be based only on the Credited Service you earned before the disability.

- If you waive the Qualified Joint And Survivor Annuity (with spousal consent) and then die after your Annuity Starting Date, your spouse will have no right to any portion of your vested benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If you waive the preretirement spouse benefit (with spousal consent) and elect an optional form of payment and then die *after* your Normal Retirement Date while an active employee, your spouse will have no right to any portion of your benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If the value of your benefit is $5,000 or less, your benefit may be paid as a single cash payment at the time you terminate employment. If you are 100% vested and receive such a payment, you will not have a right to any further benefit under the Plan unless you are rehired and earn additional benefits under the Plan.

- If you divorce, the court may direct that all or part of your benefit be paid to an alternate payee. This alternate payee will generally be your ex-spouse or your children. The Plan Administrator will notify you upon receiving such an order and will tell you what effect it has on your benefit.

Receiving Your Plan Benefit

Applying For Your Benefit

You or your beneficiary will need to complete a benefit claim form available from the Plan Administrator. This form will allow the Plan Administrator to calculate your benefit and begin to process it.

Payment Of Your Benefit

If your claim is approved, payments will be mailed to you monthly. Again, if the value of your vested benefit is $5,000 or less, payment may be made in a single sum cash payment.

Getting Your Questions Answered

The Town of Easton and the Easton Utilities Commission have been designated as the Plan Administrator. Any information about the Plan may be obtained by contacting the Town of Easton.

- Address: Town of Easton, Maryland, P.O. Box 520
14 South Harrison Street
Easton, MD 21601

- Phone: 410-822-2525

- ~~Address: Town of Easton, Maryland, P.O. Box 520~~
~~14 South Harrison Street~~
~~Easton, MD 21601~~
- ~~Phone: 410-822-2525~~

Additional Information

- Plan Name: Town of Easton, Maryland Employees' Pension Plan

- Effective Date: The Plan was established on August 1, 1973 and most recently revised on August 1, 2021.

- Plan Year: The Plan Year is the 12-month period ending on July 31.
- Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.
- Plan Sponsor: Town of Easton, Maryland, P.O. Box 520
14 South Harrison Street
Easton, MD 21601
- Employer: Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)
- Plan Sponsor EIN: 52 6000787
- Plan Number: 001
- Type Of Plan: This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.
- Type Of Administration: Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.
- Plan Costs: The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.

- ~~Plan Name: Town of Easton, Maryland Employees' Pension Plan~~
- ~~Effective Date: The Plan was established on August 1, 1973 and most recently revised on August 1, 2013.~~
- ~~Plan Year: The Plan Year is the 12-month period ending on July 31.~~
- ~~Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.~~
- ~~Plan Sponsor: Town of Easton, Maryland, P.O. Box 520 14 South Harrison Street Easton, MD 21601~~
- ~~Employer: Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)~~
- ~~Plan Sponsor EIN: 52-6000787~~

- ~~Plan Number:~~ ~~001~~
- ~~Type Of Plan:~~ ~~This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.~~
- ~~Type Of Administration:~~ ~~Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.~~
- ~~Plan Costs:~~ ~~The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.~~

Continuation Of The Plan

While your Employer fully intends to continue the Plan indefinitely, it does reserve the right to modify, suspend or terminate the Plan at any time. However, no modification, suspension or termination of the Plan may reduce any benefits you have already accrued.

Should the Plan be terminated, you will not earn any additional benefits, but you will be 100% vested in your accrued benefit at the time of the Plan's termination. The assets of the Plan will be allocated to provide all accrued benefits and meet any other legal requirements. After such allocation is completed, any remaining assets will be paid to the Employer.

Assets are allocated to provide accrued benefits according to a schedule mandated by law.

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Style name: Thompson Hine Standard	
Intelligent Table Comparison: Active	
Original filename: 03471.SPD. Div. A. 7-12-13.doc	
Modified filename: 00017529-SPD-Div A 2021 4853-2614-0157 v.2.docx	
Changes:	
Add	118
~~Delete~~	135
~~Move From~~	1
Move To	1
Table Insert	3
~~Table Delete~~	0
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~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	258

Summary Plan Description
for
Town of Easton, Maryland Employees' Pension Plan

August 2021
Division A –Non-Pick up Provisions

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Introduction

To our employees:

The Town of Easton is pleased to present you with this booklet which summarizes our pension Plan. Along with Social Security and your own financial resources, this Plan will help you enjoy a comfortable and secure retirement.

While we have attempted to highlight the most important features of the Plan, please bear in mind that the actual Plan document, which is available for your inspection, is the last word in any matters of decision or interpretation.

We appreciate your loyalty and dedication and want this Plan to be a meaningful part of your retirement finances. As such, we continually review the Plan's provisions to recognize changes in plan design or to conform with government regulations. You will be informed of any such developments.

We urge you to read this booklet carefully for a better understanding of the benefits that are available to you at retirement. This description summarizes the Plan in effect on August 1, 2021 and updates and replaces any prior descriptions. Employees whose employment terminated before August 1, 2021 may be subject to different Plan provisions.

Please remember, however, that this information is only an *overview* of the Plan's important provisions. Full details can be found in the legal Plan document which is available for your review in the Human Resources Office during regular business hours. You should consult the Plan document itself if you have any questions about the Plan or your Plan Benefits that are not answered by this booklet.

If you would like your own copy of the Plan document, you may obtain a copy by writing to the Plan Administrator whose location is listed in this booklet's section entitled "*Getting Your Questions Answered*". There may be a small charge for this service.

Effective Date

The Town of Easton, Maryland Employees' Pension Plan was established on August 1, 1973, and most recently revised on August 1, 2021 to reflect all current legislation.

Plan Year

The Plan Year is the 12-month period beginning on August 1 each year and ending on July 31.

Participation

If you were a Plan Participant on the day before July 1, 2008, you will continue to be a Participant in the revised Plan.

On and after July 1, 2008, no new employees will become participants under the Plan. However, if you were a former participant who is rehired on or after July 1, 2008, you will be treated as a participant for purposes of accruing Service for vesting and early retirement eligibility and accruing additional Earnings for determining the amount of your actual benefit at retirement.

Your Service

Your years of employment with the Town of Easton or the Easton Utilities Commission count as Service. You earn Service based on the number of whole years and full months you are employed.

1) Absence after your Service ends if you return to work within a year.

2) An authorized leave of absence up to two years, if you return to employment when your leave is over. (If you don't return, Service won't be counted after the first 12 months of leave.)

3) Absence because of sickness, disability, layoff, etc. (If you don't return within 12 months, Service won't be counted after the first 12 months.)

4) Periods of time you are absent from work because of service with the armed forces of the United States. However, you will receive credit for these periods of time only if you are eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and return to work for your Employer within the period during which you retain such reemployment rights.

5) A leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Service will be credited to the extent required by the provisions of the Family and Medical Leave Act.

6) A maternity/paternity absence up to two years because of pregnancy and the birth of a child or the adoption and placement of a child.

Your Credited Service

Credited Service is the portion of your employment that is used in calculating the *amount* of your benefit. The amount of your Credited Service may differ from your Service.

How You Earn Credited Service

Credited Service consists of the whole years and full months you have been employed by the Town of Easton or the Easton Utilities Commission (as a Division A employee), regardless of the number of hours worked.

A Division A employee is an employee who is one of the following classifications:

1) Communication Police Officers;

2) Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected not to be covered by the Pick-Up Contribution provisions on and after March 1, 1995;

3) Town Workers; and

4) Utility Workers.

Credited Service includes all periods of employment except the following:

- Periods of employment in excess of 25 years of Credited Service.
- Periods of employment while you are in a job classification that is not covered by the Plan.
- Periods of employment on and after July 1, 2008 (except if you are a Sworn Police Officer who was hired prior to March 1, 1995- you will continue to accrue Credited Service).

Absences That Qualify As Credited Service

Absences which qualify as Service (see the information under the heading "*Your Service*") do *not* count as Credited Service, unless you are absent for any of the following reasons:

- Absence without termination of up to 12 months
- Absence because of military service if you return to employment with your Employer while your reemployment rights are protected under federal law

What Happens If You Terminate Employment And Are Rehired?

If you leave employment *before you are vested* (i.e., before you have 5 years of Service) and are later rehired, your Service will be determined as follows:

Your Service before your Severance from Service Date won't count if your break-in-service <u>equals or exceeds</u> the greater of 5 years, or your years of Service before the break. For example, if you had three years of Service as of your Severance from Service Date and you are rehired 6 years later, your break exceeds the greater of 5 years or your prior years of Service. Therefore, your prior years of Service wouldn't count.

However, your Service before your Severance from Service Date *will count* if your break-in-service <u>is less than</u> the greater of 5 years, or your years of Service before the break.

If you leave employment *vested* and you are later rehired, your prior years of Service and years of Service after the break will be added together.

Your Severance from Service Date is the first day of the month on or following the earliest of:

1) the date you quit, are discharged, retire or die,

2) the first anniversary of the date your leave of absence started if you do not return to work by the second anniversary of that date,

3) the first anniversary of the date you are absent for most other reasons, such as vacation or layoff,

4) the second anniversary of the date on which the Employee is first absent from service for maternity or paternity leave.

If you become disabled while actively employed, and you are either eligible for benefits from your Employer's disability program, or are being paid under a salary continuation program, you will continue to receive Service for vesting while you are collecting disability benefits.

Your Earnings

Earnings Defined

The term "Earnings" means your wages received from the Town of Easton and reported to you for federal income tax purposes on your Form W-2. Earnings also include contributions made on your behalf under salary deferral arrangements.

If you have a severance of employment with the Town of Easton, Earnings does not include amounts received by you following such severance of employment unless such amounts are paid to you as differential pay. For purposes of this paragraph, "differential pay" means any payment made to you by the Town of Easton for periods during which you are performing military service while on active duty for a period of more than 30 days, but only to the extent such amounts do not exceed the amounts you would have received if you had continued in employment with the Town of Easton.

Measuring Earnings

- *Earnings Limitation.* If you became a participant in the Plan on or after July 31, 1995, the yearly amount of Earnings that may be used in determining your Plan Benefit cannot exceed the annual limit imposed by the federal government. This limit was increased effective for Plan Years beginning on and after August 1, 2002 to $200,000, adjusted for cost of living. The adjusted annual limit for Earnings in 2021 is $290,000. The annual limit for Plan Years beginning before August 1, 2002 was also increased to $200,000.

- Earnings are measured over calendar years.

Your Average Annual Earnings

The term "Average Annual Earnings" means your highest annual Earnings received during any 5 consecutive years in the last 10 years before the earlier of your retirement date or the date you leave employment.

If you have received Earnings for 5 or fewer consecutive calendar years, the annual average is taken by using the consecutive calendar years that are available.

However, the following calendar years will be excluded when determining your Average Annual Earnings:

- Calendar years in which you terminate employment, if that would result in a higher average.

- Calendar years in which you perform services for fewer than six months.

Covered Compensation

The term "Covered Compensation" means the average annual Earnings used to calculate your Social Security benefit. Your Covered Compensation is determined by the year in which you reach your Social Security Retirement Age, and assumes you will earn the maximum amount taxable by Social Security up to that time.

The Covered Compensation scale is adjusted periodically, and your scale will be the one that is being used when you retire or cease employment.

The term "Social Security Retirement Age" means the age at which you are eligible to receive unreduced benefits from Social Security. If you were born before January 1, 1938, this is age 65. If you were born on or after January 1, 1938 but before January 1, 1955, this is age 66. If you were born on or after January 1, 1955, this is age 67.

Your Age At Which Payments Begin

As an alternative to retiring on your Normal Retirement Date, you may choose an Early Retirement Date or a Late Retirement Date. Obviously, the age at which you choose to retire and begin receiving your benefit affects the amount of Service and Credited Service you earn and the period of time over which your benefit will be paid.

Normal Retirement Date

If you became a Participant in the Plan before August 1, 1988, your Normal Retirement Date is the day you reach age 60.

If you became a Participant in the Plan on or after August 1, 1988, your Normal Retirement Date is the day you reach age 60 or, if later, the fifth anniversary of the first day of the Plan Year in which you became a Plan participant.

If you retire on your Normal Retirement Date, your retirement income will begin on the first day of the month on or after that date. As an alternative, you may remain employed beyond your Normal Retirement Date and retire on a Late Retirement Date.

Early Retirement Date

You may retire before your Normal Retirement Date if you have reached age 55 and have completed at least ten years of Service. Thus, your Early Retirement Date can be any date after you are age 55 and before your Normal Retirement Date, as long as you have at least ten years of Service.

Late Retirement Date

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date.

How Your Plan Benefit Is Calculated

Your benefit is calculated in terms of the retirement date options that are offered under the Plan.

Normal Retirement

If you retire on your Normal Retirement Date, your benefit payments will begin on the first day of the month which coincides with or follows that date.

Your monthly Normal Retirement Benefit is calculated as follows:

1) 1.4 % of your Average Annual Earnings

   multiplied by

   your years of Credited Service up to July 1, 2008 or your termination of employment date if earlier.

   plus

2) 45 % of your Average Annual Earnings in excess of Covered Compensation

   multiplied by

   your years of Credited Service up to July 1, 2008 or your termination of employment date if earlier.

***Note that if you are a Sworn Police Officer, you will continue to earn Credited Service after July 1, 2008*.**

No more than 25 years of Credited Service are used in calculating your Normal Retirement Benefit. If your Credited Service exceeds the maximum allowed, the maximum will be used when calculating your Normal Retirement Benefit.

Supplementary Benefit

If you retire early or on or after your Normal Retirement Date but before age 62, you will be eligible for a Supplementary Benefit in addition to your retirement income described above. The yearly amount of such benefit will be equal to your Social Security Benefit at age 62. (If you provide a Social Security statement to the Administrator, your Social Security Benefit will be determined using your actual earnings. Otherwise, your Social Security Benefit will be estimated for years before you are employed by the Town of Easton and years after your retirement.)

Such Supplemental Benefit will be payable from your Normal Retirement Date until your 62nd birthday.

Early Retirement

Your Early Retirement Benefit payments may begin as early as the first day of the month following the month you actually cease employment. However, payments must begin no later than your Normal Retirement Date.

The Early Retirement Benefit calculation is basically the same as the Normal Retirement Benefit calculation, but includes adjustments made by **an *early retirement commencement factor***. The early retirement commencement factor, based on the age at which you start to receive benefit payments, reduces your monthly benefit to account for the additional years during which you'll receive payments.

Late Retirement

In general, Late Retirement Benefit payments must begin no later than the April 1 following the later of the year you reach age 70 1/2 or the year you retire.

Your monthly Late Retirement Benefit will be the greater of:

1) Your Normal Retirement Benefit, but calculated using your Credited Service (up to the date you terminate employment or, if you are not a Sworn Police Officer, July 1, 2008, if earlier) and Earnings to the date you actually retire or

2) Your Normal Retirement Benefit calculated using your Credited Service only up to your Normal Retirement Date (or, if you are not a Sworn Police Officer, July 1, 2008, if earlier) and your Earnings as of your Normal Retirement Date, actuarially increased

(based on specified interest and mortality factors) for the period from your Normal Retirement Date to the date benefit payments begin.

When You Terminate Employment

The Plan provides a retirement benefit for Participants who terminate employment before they are eligible to retire, provided they are vested. To be vested is to have earned a non-forfeitable right to your accrued benefit.

The amount of benefit to which you are entitled is called your vested benefit.

Your vested benefit will be a percentage of the benefit described under the heading "*Normal Retirement*". The percentage is taken from this schedule:

Years of Service	Percentage of Normal Retirement Benefit
If you have less than 5 years:	0%
If you have 5 years:	100%

If you are an active employee on your Normal Retirement Date, you are automatically 100% vested regardless of your years of Service.

Payment of Your Vested Plan Benefit

Unless your vested benefit is cashed out as described in "*Cashouts*" below, it will be paid beginning on your Normal Retirement Date.

Instead of waiting until your Normal Retirement Date to begin receiving benefit payments, you may elect to start receiving your retirement income on the first day of any month before your Normal Retirement Date, provided you have completed 10 years of Service.

If you do choose to begin receiving your vested benefit before your Normal Retirement Date, your vested benefit will be adjusted by an early retirement commencement factor (see the information under the heading "*Early Retirement*").

Cashouts

If the present value of your benefit is greater than $5,000, payment of your vested benefit will begin on your Normal Retirement Date (or earlier if you are eligible and elect to start payments early). If it is less than $5,000, it will be paid out in a single sum cash payment (see "*Single Sum Cash Payment*" below) as soon as administratively practicable following your termination of employment.

Single Sum Cash Payment

When The Value Of Your Plan Benefit Is $5,000 Or Less

If the value of your vested benefit is $5,000 or less, your vested benefit may be paid in a single sum cash payment at the time your employment terminates. The single sum payment will be equal to the full value of your vested benefit at that time. You cannot elect another form of payment. Please refer to the section "*Direct Rollover Distributions*" for important information regarding single sum cash payments.

Similarly, if the value of the benefit payable to your spouse or other beneficiary after your death is $5,000 or less, payment may be made in a single sum cash payment.

Election to Receive Single Sum Cash Payments

If the value of your vested benefit is $5,000 or less, you will be given the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election and the present value of your vested benefit is $1,000 or less, a single sum cash payment will be made directly to you, whether or not you elect to receive such payment. If you do not make an election and the present value of your vested benefit is more than $1,000, your vested benefit will continue to be held under the Plan until either (i) you affirmatively elect to receive distribution or (ii) you reach the later of age 62 or your Normal Retirement Date.

Tax Treatment

If you terminate employment before age 55 and receive a single sum cash payment of your benefit, your benefit may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will *not* apply to benefit payments that are:

- Made after you reach age 59 1/2 or
- Made to your beneficiary when you die or
- Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return or
- Made under the terms of a domestic relations order.

You will be provided with information regarding the tax consequences of your distribution, when it is made. However, you should consult your own tax advisor for more complete information regarding your own situation. For the most current tax information, pick up a free copy of IRS Publication 575 "Pension and Annuity Income" at your local IRS office.

Direct Rollover Distributions

If you receive your benefit in a single sum cash payment, you may choose to have all or part of such payment rolled over to another qualified plan that accepts rollovers, a tax-sheltered annuity under Code Section 403(b) that accepts rollovers, a deferred compensation plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or to an IRA (including a Roth IRA). The portion of your benefit that is directly rolled over will be exempt from the mandatory 20% tax withholding rules that are otherwise applicable to single sum cash payments.

If your spouse or other beneficiary receives payment of a benefit in a single sum, he or she may also be eligible to have all or part of such payment directly rolled over to another eligible plan or IRA. Generally, your spouse or a former spouse who is an alternate payee under a qualified domestic relations order may roll over an eligible distribution to an IRA (including a Roth IRA) or to any other eligible plan, as described above. Your non-spouse beneficiary (who is your designated beneficiary under IRS rules) may also elect a direct rollover. However, he or she may only direct a rollover to an IRA (including a Roth IRA). The IRA must be identified as an inherited IRA and is subject to special distribution rules.

The Plan Administrator will provide you with more detailed information as to how to elect a direct rollover. However, for more information as to the tax consequences related to single sum cash payments that are <u>not</u> directly rolled over to a qualified defined contribution plan or IRA, you should consult your own tax advisor.

Forms Of Benefit Payment

If the value of your vested benefit is over $5,000, distribution of your benefit will automatically take the form of an annuity.

An annuity is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different annuity arrangements. Depending on your choice, you can even provide a lifetime monthly income to your spouse or another beneficiary if you die after your Annuity Starting Date.

In the following sections, we will discuss the normal form of payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your spouse's consent to elect a form of payment other than the normal form of payment.

Under special IRS rules, you may not elect a form of payment that is expected to provide a plan benefit to your designated beneficiary that is more than incidental when compared to the benefit amount expected to be paid to you. An exception to this rule applies if your beneficiary is your spouse.

Normal Form Of Payment

The annuity form under which your Plan benefit is normally paid -- that is, the way it automatically will be paid to you unless you waive it and make another election -- depends on whether you have a spouse on your Annuity Starting Date (the date as of which payments start).

Generally under the Plan, your spouse is the person to whom you are legally married under the laws of the State in which the marriage occurred.

Normal Form Of Payment For Married Employees

If you have a spouse, the normal form of payment is a Qualified Joint and Survivor Annuity. This provides a benefit for you and your spouse, so long as he or she is the same person to whom you are married to on your Annuity Starting Date. Your benefit will be paid to you as long as you live. However, since this form of payment provides for payment over two lifetimes (yours and your spouse's), the amount you receive will be less than if it were paid only during your lifetime. If you die after your Annuity Starting Date, your spouse will receive a lifetime income equal to 50% of what you were receiving when you died. Instead of a 50% continuation you may elect under the joint and survivor form of payment to have 66 2/3% or 100% of the benefit you were receiving continued to your spouse.

The Plan Administrator will give you information about the joint and survivor benefit and your other retirement options between 30 and 90 days before your benefit payments begin. If you don't want the joint and survivor coverage, you must notify the Plan Administrator in writing before your retirement date.

However, your spouse must consent in writing to your election out of joint and survivor coverage and into an optional form of payment. This consent may be given in either of the following ways:

- Your spouse's consent may specifically acknowledge a non-spouse beneficiary and/or method of payment, in which case any future change of beneficiary designation and/or method of payment must have your spouse's written consent; or

- Your spouse's consent may expressly allow you to designate any non-spouse beneficiary and/or choose any method of payment, in which case any future changes would not require your spouse's consent.

In either case, your spouse's written consent must be witnessed by a Plan representative or notary. Your decision to keep the joint and survivor coverage or elect a different form of payment becomes final when you retire and cannot be changed later.

Normal Form Of Payment For Unmarried Employees

If you do not have a spouse, your benefit will be paid in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live.

Other Payment Options

The Plan also offers additional payment options which may suit your needs better than the normal form just described. During the 90-day period before your Annuity Starting Date you can elect one of the following optional methods of payment instead of the above method. If you are married, your spouse must consent to this election.

Single Life Annuity

If you have a spouse, the Plan permits you to waive the qualified Joint and Survivor Annuity and receive your plan benefit in the form of a single life annuity - that is, in level monthly payments to you as long as you live, based on your monthly plan benefit as described in the section titled "*How Your Plan Benefit Is Calculated*". Under this form of payment, you will receive a larger plan benefit than you would have received under the Qualified Joint and Survivor Annuity, but generally no survivor benefits will be paid after your death.

Ten Year Certain and Life Option

If you choose this option, you will receive a reduced retirement income for life, but with a minimum guarantee of 10 years' payments. If you die after your Annuity Starting Date but before receiving payments for ten years, the payments will be continued to your beneficiary for the rest of the ten-year period.

Joint and Survivor Annuity

The Joint and Survivor Annuity (otherwise known as the Contingent Pensioner Option) will provide you with reduced monthly payments for life but, at your death, payments will continue to a beneficiary (any person you choose) for as long as that person lives. These payments may be 100%, 66 2/3% or 50% of your reduced plan benefit.

If you continue to work after your Normal Retirement Date, you may elect one of the above optional methods of payment. If you are married, you must waive the automatic preretirement spouse benefit coverage (with your spouse's consent). However, when you do decide to retire, if you wish to receive your retirement income payments under an optional form of payment, you must also waive the Qualified Joint and Survivor Annuity normal form of payment (again, with your spouse's consent) and elect the desired option during the 90 days before your retirement.

If you continue to work after your Normal Retirement Date but die before you actually retire, your date of death will be considered to be your retirement date.

If one of the Joint and Survivor Annuity options or the Ten Year Certain and Life Option is in effect, your beneficiary will receive payments when you die.

Death Benefits Before Your Retirement Date

Married Participant

Your spouse will be eligible for benefits if you die and meet the applicable requirements described in the provisions of Spouse Benefit I or Spouse Benefit II below.

<u>Spouse Benefit I</u>. Your spouse will be eligible for this benefit if:

- you were married at the time of your death, and

- your termination of employment date, Early Retirement Date or Normal Retirement Date has not occurred, and

- you have reached age 55, and

- you have completed 10 years of Service.

Under Spouse Benefit I, your spouse will receive 50% of your retirement income (based on your years of Credited Service to your date of death), payable for life and with no reduction for early retirement if payments commence to your spouse before the date that would have been your Normal Retirement Date.

However, this benefit will be reduced by 1% for each full year if your spouse is more than 10 years younger than you.

Spouse Benefit II. If you are not eligible for the benefit described above, your spouse will receive the following benefit if:

- you were married at the time of your death, and

- you had a vested right to retirement income payments, and

- you had not elected to waive spouse benefit coverage, and

- you had not yet started receiving retirement income payments.

Under Spouse Benefit II, your spouse will receive 50% of the amount you would have received had you retired on the date of your death with the Joint and Survivor Annuity form of payment.

The benefit amount will be based on your years of Credited Service prior to your date of death and then reduced for the Joint and Survivor Annuity form of payment and early retirement if payments begin prior to your Normal Retirement Date. The benefit will be payable monthly to your surviving spouse.

If benefit payments are payable in accordance with Spouse Benefit I, your spouse can choose to begin receiving the payments as early as the first day of the month following your death.

If benefit payments are payable in accordance with Spouse Benefit II, the earliest your spouse can choose to begin receiving payments is your earliest retirement age (the earliest possible age you would have been eligible to retire) or, if that date has passed, the first day of the month following your death.

If your spouse does not consent to the applicable starting date above, he or she may choose to defer receiving income up to the later of the date you would have reached your Normal Retirement Date or age 62.

Also, whether the preretirement spouse benefit is payable in accordance with Spouse Benefit I or II, if your spouse chooses to defer payment of benefits and then dies before the deferred payment start date, no retirement income payments will be payable, except as otherwise provided below.

If You Are Not Married

If you die before your Normal Retirement Date, no death benefit will be payable.

However, if you continue to work after your Normal Retirement Date but die before your Annuity Starting Date, you can elect an optional method of payment to take effect in the event of your death or retirement after your Normal Retirement Date. In this case, payment will be made in accordance with the optional method of payment you elected.

If you continue to work after your Normal Retirement Date and do not have an optional method of payment in effect, no death benefit will be payable to your beneficiary.

Special Rules Applicable To Participants Who Die During Military Absence

If you are absent from employment with the Employer because of military service and die after December 31, 2006, while performing qualified military service (as defined under the Internal Revenue Code), you will be treated as having returned to employment with the Employer on the day before your death for purposes of determining your vested benefit and your beneficiary's eligibility for a survivor death benefit. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, you will not earn additional benefits with respect to your period of military leave.

If you die on or after January 1, 2007, under the conditions described in the preceding paragraph, you will also be treated as having returned to employment with the Employer on the day before your death for purposes of determining your eligibility for and the amount of any additional benefit to which you would have been entitled for your period of military service if you had returned to work following your service. For this purpose, you will be treated as if your employment had terminated on your date of death.

Disability

If you become disabled while actively employed, and you are eligible for benefits from your Employer's disability program, you will continue to receive Service (for vesting) while you are collecting these disability benefits. However, you will not receive Credited Service (for benefit purposes) during this period.

Circumstances That May Affect Your Plan Benefit

The following conditions may cause your benefit to be denied, reduced or suspended:

- If you don't return to work within 12 months of the date your Service ends, it may be a break-in-service. This could affect the amount of your retirement benefit.

- If you are disabled, your retirement benefit will be based only on the Credited Service you earned before the disability.

- If you waive the Qualified Joint And Survivor Annuity (with spousal consent) and then die after your Annuity Starting Date, your spouse will have no right to any portion of your vested benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If you waive the preretirement spouse benefit (with spousal consent) and elect an optional form of payment and then die *after* your Normal Retirement Date while an active employee, your spouse will have no right to any portion of your benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If the value of your benefit is $5,000 or less, your benefit may be paid as a single cash payment at the time you terminate employment. If you are 100% vested and receive such a payment, you will not have a right to any further benefit under the Plan unless you are rehired and earn additional benefits under the Plan.

- If you divorce, the court may direct that all or part of your benefit be paid to an alternate payee. This alternate payee will generally be your ex-spouse or your children. The Plan Administrator will notify you upon receiving such an order and will tell you what effect it has on your benefit.

Receiving Your Plan Benefit

Applying For Your Benefit

You or your beneficiary will need to complete a benefit claim form available from the Plan Administrator. This form will allow the Plan Administrator to calculate your benefit and begin to process it.

Payment Of Your Benefit

If your claim is approved, payments will be mailed to you monthly. Again, if the value of your vested benefit is $5,000 or less, payment may be made in a single sum cash payment.

Getting Your Questions Answered

The Town of Easton and the Easton Utilities Commission have been designated as the Plan Administrator. Any information about the Plan may be obtained by contacting the Town of Easton.

- Address: Town of Easton, Maryland, P.O. Box 520

14 South Harrison Street
Easton, MD 21601

- Phone: 410-822-2525

Additional Information

- Plan Name: Town of Easton, Maryland Employees' Pension Plan
- Effective Date: The Plan was established on August 1, 1973 and most recently revised on August 1, 2021.
- Plan Year: The Plan Year is the 12-month period ending on July 31.
- Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.
- Plan Sponsor: Town of Easton, Maryland, P.O. Box 520
  14 South Harrison Street
  Easton, MD 21601
- Employer: Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)
- Plan Sponsor EIN: 52 6000787
- Plan Number: 001
- Type Of Plan: This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.
- Type Of Administration: Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.
- Plan Costs: The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.

Continuation Of The Plan

While your Employer fully intends to continue the Plan indefinitely, it does reserve the right to modify, suspend or terminate the Plan at any time. However, no modification, suspension or termination of the Plan may reduce any benefits you have already accrued.

Should the Plan be terminated, you will not earn any additional benefits, but you will be 100% vested in your accrued benefit at the time of the Plan's termination. The assets of the Plan will be allocated to provide all accrued benefits and meet any other legal requirements. After such allocation is completed, any remaining assets will be paid to the Employer.

Assets are allocated to provide accrued benefits according to a schedule mandated by law.

TOWN OF EASTON, MARYLAND
EMPLOYEES' PENSION PLAN
August 1, 2021 Restatement

PREAMBLE

The Town of Easton, Maryland Employees' Pension Plan was originally established effective as of August 1, 1973. In addition to other amendments, the Plan was amended effective June 30, 2008, to freeze further benefit accruals under the Plan for Participants who are not Sworn Police Officers and effective July 1, 2017 to implement changes for Sworn Police Officers, including changing the Normal Retirement Date from 25 years of Service to 22 years of Service.

The Plan is hereby amended and restated in its entirety and is intended to qualify as a defined benefit pension plan under Code Section 401(a) and a governmental plan under Code Section 414(d). The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

Except as otherwise specifically provided in the Plan, this amended and restated Plan shall be effective as of August 1, 2021, and the rights of any person who did not have an Hour of Service under the Plan on or after August 1, 2021, shall generally be determined in accordance with the terms of the Plan as in effect on the date for which he or she was last credited with an Hour of Service.

ARTICLE I
DEFINITIONS

1.1 Plan Definitions

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth:

(a) A Participant's "**Accrued Benefit**" as of any date means the portion of the Participant's monthly normal retirement benefit, payable in the normal form described in Section 9.1(a), accrued as of that date determined as provided in Article V, based on the Participant's years of Credited Service and Average Annual Earnings determined as of that date.

Notwithstanding the foregoing, for a Participant other than a Sworn Police Officer, Credited Service for purposes of determining his or her Accrued Benefit shall be determined as of June 30, 2008 and shall not include periods of employment after that date.

(b) An "**Active Participant**" means a Participant who is accruing Credited Service under the Plan in accordance with the provisions of Article III.

(c) A Participant's "**Accumulated Pick-Up Contributions**" as of any date means the total of the Participant's Pick-Up Contributions (made for employment as a Division B Employee) plus interest. Interest on a Participant's Pick-Up Contributions shall be credited annually to the date of determination at 5%, compounded each August 1.

(d) The "**Actuarial Equivalent**" of a value means its equivalent value determined using the actuarial factors specified in the Plan. For purposes of converting a Participant's retirement benefit from the normal single life annuity form described in Section 9.1(a), to another form of payment, the following factors will be used:

(1) To convert to a form of payment other than a single sum payment, Actuarial Equivalence is determined using the following factors:

(A) 1971 Group Annuity Mortality Table for male lives with a 1-year setback for Participants and a 5-year setback for Beneficiaries and

(B) an interest rate of 6%.

(2) For purposes of converting to a single sum payment, Actuarial Equivalence is determined using the following factors:

(A) the table prescribed in Revenue Ruling 2001-62; and

(B) the annual rate of interest on 30-year Treasury securities for the second calendar month preceding the Plan Year in which the distribution is made.

The present value of a benefit with respect to a Participant who has or would have reached Normal Retirement Date at the time present value is being determined shall be calculated based on the immediate annuity payable as of the determination date. The present value of a benefit with respect to a Participant who has not yet or would not yet have reached Normal Retirement Date at the time present value is being determined shall be calculated based on a deferred annuity payable commencing at the Participant's Normal Retirement Date. For purposes of this paragraph, present value of any single sum payment to a Participant shall be determined based on the present value of immediate and deferred annuities payable in the normal form applicable under Section 9.1(a) of the Plan.

(e) The "**Actuary**" means an independent actuary selected by the Sponsor, who is an enrolled actuary as defined in Code Section 7701(a)(35), or a firm or corporation of actuaries having such a person on its staff, which person, firm, or corporation is to serve as the actuarial consultant for the Plan.

(f) The "**Administrator**" means the Sponsor unless the Sponsor designates another person or persons to act as such. The Sponsor may designate different persons to act as its delegate in performing different functions of the Administrator.

(g) An "**Affiliated Company**" means any corporation or business, other than the Employer, which would be aggregated with the Employer for a relevant purpose under Code Section 414.

(h) A Participant's, or Beneficiary's, if the Participant has died, "**Annuity Starting Date**" means the first day of the first period for which an amount is paid as an annuity or, in the case of a single sum payment, the first day on which all events have occurred which entitle the Participant, or the Participant's Beneficiary, if applicable, to such benefit.

If a Participant whose Annuity Starting Date has occurred is reemployed by the Employer or an Affiliated Company resulting in a suspension of benefits in accordance with the provisions of Section 11.1, for purposes of determining the form of payment of such Participant's benefit upon subsequent retirement, such prior Annuity Starting Date shall apply to benefits accrued prior to the Participant's reemployment. Such prior Annuity Starting Date shall apply to benefits accrued both before and after the Participant's reemployment.

(i) A Participant's "**Average Annual Earnings**" means the Participant's highest average annual Earnings received for any 5 consecutive Earnings Computation Periods during the 10 consecutive Earnings Computation Periods immediately preceding the date the Participant's employment terminates. Notwithstanding any other provision of the Plan to the contrary, the following special rules apply in determining a Participant's Average Annual Earnings:

(1) In determining Average Annual Earnings, Earnings for the following Earnings Computation Periods shall be disregarded:

(A) the Earnings Computation Period in which the Participant's employment as an Employee terminates, but only if disregarding that Earnings Computation Period would result in a higher average. In determining whether such Earnings Computation Period should be disregarded, Earnings shall not be annualized.

(B) any Earnings Computation Period in which the Participant performs services as an Employee for fewer than 6 months.

(2) A Participant's consecutive Earnings Computation Periods shall not be considered to have been interrupted if:

(A) the Participant's employment as an Employee terminates and the Participant is reemployed as an Employee, provided the Participant retains an Accrued Benefit under the Plan or his or her Accrued Benefit is restored to him or her upon reemployment.

(B) a Participant's Earnings Computation Period is disregarded because the Participant performs services for fewer than 6 months, provided the Participant retains an Accrued Benefit under the Plan.

(3) If a Participant has exactly 5 or fewer than 5 consecutive Earnings Computation Periods, Average Annual Earnings shall be determined by multiplying a fraction, the numerator of which is the Participant's total Earnings and the denominator of which is the Participant's total number of full calendar months of employment as an Employee, by 12.

(j) A Participant's "**Beneficiary**" means any beneficiary who is entitled to receive a benefit under the Plan upon the death of the Participant.

(k) A "**Break in Service**" with respect to any Employee means any 12-consecutive month period beginning on the Employee's Employment Severance Date and anniversaries of his or her Employment Severance Date in which the Employee does not complete an Hour of Service.

(l) The "**Code**" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a 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.

(m) The "**Covered Compensation**" of a Participant who is a Division A Employee, means the average, without indexing, of the taxable wage bases under Section 230 of the Social Security Act in effect for each calendar year during the 35-year period ending on the last day of the calendar year in which the employee attains (or will attain) Social Security retirement age, as determined under Code Section 415(b)(8). In determining a Participant's Covered Compensation, the following shall apply:

(1) For calendar years within the 35-year period, the taxable wage base in effect for future calendar years shall be assumed to be the same as the taxable wage base in effect as of the beginning of the Plan Year in which the determination is being made.

(2) For calendar years after the 35-year period ends, a Participant's Covered Compensation means his or her Covered Compensation for the Plan Year in which the 35-year period ends.

(3) For calendar years before the 35-year period begins, a Participant's Covered Compensation means the taxable wage base in effect as of the beginning of the Plan Year in which the determination is being made.

A Participant's Covered Compensation shall be adjusted each Plan Year.

A Participant's Covered Compensation for purposes of calculating his or her retirement benefit under the Plan shall be his or her Covered Compensation determined as of the date the Participant's retirement benefit is being calculated or, if earlier, as of the date the Participant ceased to accrue benefits under the Plan.

(n) A Participant's "**Credited Service**" means the Participant's period of service for purposes of determining the amount of any benefit for which he or she is eligible under the Plan, as computed in accordance with the provisions of Article III.

For a Participant other than a Sworn Police Officer, Credited Service shall be determined as of June 30, 2008 and shall not include periods of employment after that date.

(o) A "**Disabled Participant**" means a Participant who becomes disabled and who is either (1) eligible for or receiving disability benefits under an Employer funded program or (2) receiving remuneration under a salary continuation agreement.

(p) "**Division A**" means the following groups of Employees:

(1) Communication Police Officers;

(2) Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected not to be covered by the Pick-Up Contribution provisions on and after March 1, 1995;

(3) Town Workers; and

(4) Utility Workers.

(q) "**Division B**" means the following groups of Employees:

(1) Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected to make Pick-Up Contributions to the Plan; and

(2) Sworn Police Officers whose date of employment is on or after March 1, 1995.

(r) A "**Division Schedule**" means the schedule attached to the Plan in the Addendum which sets forth the specific provisions and definitions applicable to Participants in such Divisions, as amended and modified from time to time.

(s) The "**Earnings**" of a Participant for any Earnings Computation Period means the wages as defined in Code Section 3401(a), determined without regard to any rules that limit compensation included in wages based on the nature or location of the employment or services performed, and all other payments made to the Participant for such Earnings Computation Period for services as an Employee for which the Employer is required to furnish the Participant a written statement under Code Sections 6041(d) and 6051(a)(3) (commonly referred to as W-2 earnings).

If a Participant is absent from employment as an Employee to perform service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code), the Participant's Earnings will include any differential pay, as defined hereunder, the Participant receives or is entitled to receive from the Employer. For purposes of this paragraph, "differential pay" means any payment made to the Participant by the Employer with respect to a period during which the Participant is performing service in the uniformed services while on active duty for a period of more than 30 days that represents all or a portion of the wages the Participant would have received if he or she had continued employment with the Employer as an Employee.

In addition to the foregoing, Earnings include any amount that would have been included in the foregoing description, but for the Participant's election to defer payment of such amount under Code Section 125, 402(e)(3), 402(h)(1)(B), 403(b), or 457(b) and certain contributions described in Code Section 414(h)(2) that are picked up by the employing unit and treated as employer contributions. Effective for Plan Years beginning on and after January 1, 2001, Earnings shall also include any amount that is not included in the Participant's taxable gross income pursuant to Code Section 132(f).

In no event, however, shall the Earnings of an Employee who became a Participant in the Plan after the last day of the 1995 Plan Year exceed the Code Section 401(a)(17) limit in effect for such Earnings Computation Period ($290,000 for the 2021 Earnings Computation Period, subject to adjustment annually as provided in Code Section 401(a)(17)(B) and Code Section 415(d)); provided, however, that in determining benefits for such a Participant who is credited with an Hour of Service on or after August 1, 2002, Earnings for Earnings Computation Periods beginning before January 1, 2002 shall be limited to $200,000.

(t) An "**Earnings Computation Period**" means each calendar year.

(u) An "**Employee**" means any employee of the Employer whose customary employment is for more than 20 hours per week and 5 months per calendar year.

Notwithstanding the foregoing, the term "Employee" shall not include the following:

(1) any individual with respect to whom the Employer does not withhold income or employment taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service, even if such individual is later adjudicated to be a common law employee of the Employer, unless and until the Employer extends coverage to such individual.

(2) any "leased employee", as defined below.

(3) any employee who is not a Sworn Police Officer and who is first hired by the Employer on or after July 1, 2008.

Any employee who was a Participant in the Plan prior to July 1, 2008, who is rehired on or after July 1, 2008, in a position other than as a Sworn Police Officer, and who retains an Accrued Benefit under the Plan, shall be treated as an Employee solely for the following purposes:

(4) earning additional Service under the Plan (for purposes of vesting and early retirement eligibility); and

(5) accruing additional Earnings for purposes of determining the amount of his or her Accrued Benefit under the Plan upon his or her subsequent retirement or termination of employment.

A "leased employee" means any person (other than an "excludable leased employee") who performs services for the Employer or an Affiliated Company (the "recipient") (other than an employee of the "recipient") pursuant to an agreement between the "recipient" and any other person (the "leasing organization") on a substantially full-time basis for a period of at least 1 year, provided that such services are performed under primary direction of or control by the recipient. An "excludable leased employee" means any person who would otherwise qualify as a leased employee of the recipient who (a) is covered by a money purchase pension plan maintained by the leasing organization which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least 10% of compensation (as defined in Treasury Regulations Section 1.415(c)-2(d)(4)), (ii) full and immediate vesting, and (iii) immediate participation by employees of the leasing organization, or (b) performs substantially all of his or her services for the leasing organization, or (c) whose compensation from the leasing organization in each plan year during the 4-year period ending with the plan year is less than $1,000. Notwithstanding the foregoing, leased employees of the recipient shall only be considered excludable leased employees if leased employees do not constitute more than 20% of the recipient's nonhighly compensated work force. For purposes of this Section, contributions or benefits provided to a leased employee by the leasing organization that are attributable to services performed for the recipient shall be treated as provided by the recipient.

(v) A Division B Participant's "**Employee Derived Benefit**" as of any date means an amount equal to the Participant's Accumulated Pick-Up Contributions expressed as a monthly benefit commencing at Normal Retirement Date determined using the conversion factor provided by the Secretary of the Treasury.

(w) The "**Employer**" means the Sponsor and any entity of the Town of Easton which has adopted the Plan as may be provided under Article XV, including The Easton Utilities Commission.

(x) A Participant's "**Employer Derived Benefit**" as of any date means the excess, if any, of the Participant's Accrued Benefit as of such date over the Participant's Employee Derived Benefit as of such date.

(y) An Employee's "**Employment Commencement Date**" means the date he or she first completes an Hour of Service or, in the case of an Employee who has incurred an Employment Severance Date, the first date following such Employment Severance Date on which he or she again completes an Hour of Service.

(z) An Employee's "**Employment Severance Date**" means the earlier of (a) the date on which the Employee retires, dies, or his or her employment as an Employee is otherwise terminated or (b) the first anniversary of the date on which the Employee is absent from work with the Employer as an Employee for any other reason; provided, however, that the following special rules shall apply:

(1) An Employee's Employment Severance Date shall not occur if the Employee is absent from work with the Employer on account of service with the armed forces of the United States, the Employee is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and the Employee returns to work with the Employer within the period during which the Employee retains such reemployment rights, but, if the Employee does not return to work within such period, the his or her Employment Severance Date shall be the earlier of the date which is one year after his or her absence commenced or the last day of the period during which he or she retains such reemployment rights.

(2) An Employee's Employment Severance Date shall not occur if the Employee is on an approved leave of absence of no more than two years from which the Employee returns promptly to employment with the Employer.

(3) An Employee's Employment Severance Date shall not occur if the Employee is absent from work while a Disabled Participant, provided that if the Employee

ceases to be a Disabled Participant prior to Normal Retirement Date, the Employee returns promptly to work with the Employer.

(4) If an Employee is absent from work with the Employer on account of the birth of a child, pregnancy, the adoption of a child, or the caring for a child for a period beginning following the birth or adoption of such child (a "maternity/paternity absence"), beyond the first anniversary of the first day of such maternity/paternity absence, his or her Employment Severance Date shall be the second anniversary of the first day of such maternity/paternity absence.

Notwithstanding the foregoing, if a person retires, dies, or his or her employment as an Employee is otherwise terminated during a period in which he or she is absent from work with the Employer for any reason other than service with the armed forces of the United States, his or her Employment Severance Date shall be the date of such retirement, death, or other termination of employment.

(aa) An "**Entry Date**" means each day of the Plan Year.

(bb) The "**Funding Agent**" means the person or persons which at the time shall be designated, qualified, and acting under the Funding Agreement and shall include (i) any trustee for a trust established pursuant to the Funding Agreement, (ii) any insurance company that issues an annuity or insurance contract pursuant to the Funding Agreement, or (iii) any person holding assets in a custodial account pursuant to the Funding Agreement. The Sponsor may designate a person or persons other than the Funding Agent to perform any responsibilities of the Funding Agent under the Plan, and the Funding Agent shall not be liable for the performance of such person in carrying out such responsibilities. The term Funding Agent shall include any delegate of the Funding Agent as may be provided in the Funding Agreement.

(cc) The "**Funding Agreement**" means the agreement entered into between the Sponsor and the Funding Agent relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a trust, a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets; provided, however, that any custodial account or contract established hereunder meets the requirements of Code Section 401(f).

(dd) An "**Hour of Service**" with respect to any Employee means an hour which is determined and credited as such in accordance with the provisions of Article II.

(ee) A Participant's "**Normal Retirement Date**" for purposes of benefit eligibility means the following, as applicable:

(1) Division A Participants:

(A) with respect to an Employee who became a Participant prior to August 1, 1988, the date the Participant attains age 60; and

(B) with respect to an Employee who became a Participant on or after August 1, 1988, the later of (i) the date on which the Participant attains age 60 or (ii) the fifth anniversary of his or her "participation commencement date". A Participant's "participation commencement date" means the first day of the Plan Year in which he or she first commences participation in the Plan.

(2) Division B Participants: Effective July 1, 2017, the day on which the Participant's hypothetical years of Service equal 22.

For all other purposes, a Participant's "Normal Retirement Date" means the first day of the month coinciding with or next following the day determined under (1) or (2) above, as applicable.

(ff) A "**Participant**" means any person who becomes eligible to participate in the Plan in accordance with the provisions of Article IV and who retains an Accrued Benefit under the Plan.

(gg) A Division B Participant's "**Pick-Up Contributions**" mean the contributions required to be withheld from Earnings on and after March 1, 1995 and contributed on his or her behalf to the Plan as Employer contributions pursuant to Code Section 414(h)(2). Pick-Up Contributions shall not be included in a Participant's taxable income for the year in which they are contributed to the Plan, but shall only be taxable when they are distributed to the Participant in accordance with the provisions of the Plan.

(hh) The "**Plan**" means this Town of Easton, Maryland Employees' Pension Plan, established effective August 1, 1973, as amended and restated by this instrument, with all amendments, modifications, and supplements hereafter made.

(ii) A "**Plan Year**" means the 12-consecutive-month period ending each July 31.

(jj) A "**Qualified Joint and Survivor Annuity**" is an immediate annuity payable to the Participant for life with a survivor benefit payable upon the death of the Participant to the Participant's Spouse (determined as of the Annuity Starting Date) for the remainder of such Spouse's lifetime. The amount of the survivor benefit payable under a Qualified

Joint and Survivor Annuity shall be equal to at least 50% of the amount the Participant was receiving on his or her date of death.

(kk) A "**Qualified Preretirement Survivor Annuity**" is an annuity payable to the surviving Spouse of a Participant for such Spouse's life as provided in Article X.

(ll) A Participant's "**Required Beginning Date**" means the April 1 following the calendar year in which occurs the later of (i) the Participant's attainment of age 72 (70 ½ for a Participant who reached that age before January 1, 2020) or (ii) the date the Participant retires.

(mm) A Participant's "**Service**" means the Participant's period of service for purposes of determining his or her eligibility for a benefit under the Plan, as computed in accordance with the provisions of Article III.

(nn) The "**Social Security Amount**" means the yearly Primary Insurance Amount for which a Division A Participant is determined to be eligible at age 62 under the Social Security Act as in effect on his or her Normal Retirement Date or the date Credited Service ceases, if earlier. If a Division A Participant provides the Administrator with a statement from the Social Security Administration of his or her wages used to determine the Primary Insurance Amount, the Division A Participant's actual earnings shall be used to determine his or her Social Security Amount. If the Division A Participant does not provide such a statement, his or her Social Security Amount shall be estimated based on the following:

(1) For years prior to the first calendar year in which the Division A Participant receives Earnings for the full calendar year, the Administrator will estimate earnings for the Division A Participant starting at age 18 using a ratio of each year's National Average Earnings to the National Average Earnings for the first calendar year in which the Division A Participant received earnings from the Employer for the full period;

(2) For calendar years beginning with the first calendar year in which the Division A Participant receives earnings from the Employer for the full calendar year and ending with the last calendar year in which the Division A Participant receives earnings for the full calendar year, the Administrator will use actual earnings as shown on the records of the Employer; and

(3) For calendar years following the last calendar year in which the Division A Participant receives earnings from the Employer for the full calendar year and prior to the Division A Participant's attainment of age 62, the Administrator will estimate earnings assuming the Division A Participant's earnings remain the same as his or her earnings for the last Earnings Computation Period in which the

Division A Participant receives earnings from the Employer for the full calendar year.

(oo) The “**Sponsor**” means the Town of Easton, Maryland, and any successor thereto.

(pp) A Participant’s “**Spouse**” means the person to whom the Participant is legally married under the laws of the state or country in which the marriage was celebrated, without regard to whether such marriage is recognized under the laws of the state or country in which the Participant resides.

1.2 Construction

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

ARTICLE II
HOURS OF SERVICE

2.1 Crediting of Hours of Service

An Employee shall be credited with an Hour of Service under the Plan for each hour for which he or she is paid, or entitled to payment, for the performance of duties for the Employer as an Employee.

ARTICLE III
SERVICE & CREDITED SERVICE

3.1 Service and Credited Service Prior to August 1, 1999

Each person who is an Employee on or after August 1, 1999, shall be credited with Service and Credited Service for purposes of the Plan for periods prior to such date equal to the Service and Credited Service with which the Employee had been credited in accordance with the Plan provisions in effect immediately prior to such date.

3.2 Service and Credited Service On or After August 1, 1999

Each person who is an Employee on or after August 1, 1999, shall be credited with Service and Credited Service with respect to periods of employment on or after such date, for purposes of the Plan as follows:

(a) The Employee shall be credited with Service for the period beginning on the later to occur of (i) August 1, 1999 or (ii) his or her Employment Commencement Date and ending on his or her Employment Severance Date. Service shall be computed in completed whole years; provided, however, that for purposes of aggregating Service before and after a Break in Service, fractional years shall be credited in 1/12ths treating each calendar month in this the Employee is credited with Service as 1/12th year of Service, even if the Employee is only credited with Service for a portion of such calendar month.

(b) In addition, Service, but not Credited Service, shall be credited for his or her period of absence from work after his or her Employment Severance Date if he or she returns to work with the Employer as an Employee within 12 months of his or her most recent date of absence from employment for any reason.

(c) Subject to any limitations set forth in Article V, the Employee shall be credited with Credited Service for the period beginning on the later to occur of (i) August 1, 1999 or (ii) the Employee's Employment Commencement Date and ending on the Employee's Employment Severance Date. Credited Service shall be computed in completed whole years and full months.

Notwithstanding the foregoing, no Credited Service shall be credited to an Employee for the following periods:

(1) periods for which the Employee is on an approved leave of absence beyond the first anniversary of the date the Employee is first absent from work as an Employee.

(2) periods that the Employee is absent from work while a Disabled Participant beyond the first anniversary of the date the Employee is first absent from work as an Employee.

(3) for Employees other than Sworn Police Officers, periods after June 30, 2008.

3.3 Transfers

Notwithstanding the foregoing, Service and Credited Service credited to a person shall be subject to the following:

(a) Any person who transfers or retransfers to employment with the Employer as an Employee directly from other employment (i) with the Employer in a capacity other than as an Employee or (ii) with any other Affiliated Company, shall be credited with Service, but not Credited Service, for such other employment as if such other employment were employment with the Employer as an Employee.

(b) Any person who transfers from employment with the Employer as an Employee directly to other employment (i) with the Employer in a capacity other than as an Employee or (ii) with any other Affiliated Company, shall be deemed by such transfer not to lose his or her Service or Credited Service, and shall be deemed not to retire or otherwise terminate his or her employment as an Employee until such time as he or she is no longer in the employment of the Employer or any other Affiliated Company, at which time he or she shall become entitled to benefits if he or she is otherwise eligible therefore under the provisions of the Plan; provided, however, that up to such time he or she shall receive credit only for Service, but not for Credited Service, for such other employment as if such other employment were employment with the Employer as an Employee.

3.4 Retirement or Termination and Reemployment

If an Employee retires or otherwise terminates employment with the Employer and all Affiliated Companies, the Employee's eligibility for and the amount of any benefit to which the Employee may be entitled under the Plan shall be determined based upon the Service and Credited Service with which the Employee is credited at the time of such retirement or other termination of employment. If such retired or former Employee is reemployed by the Employer or any Affiliated Company, the Service and Credited Service with which the Employee was credited at the time of such prior retirement or other termination of employment shall be aggregated with the Service and Credited Service with which the Employee is credited following reemployment for purposes of determining his or her eligibility for and the amount of any benefit to which the Employee may be entitled under the Plan upon his or her subsequent retirement or other termination of employment if:

(a) the Employee was eligible for any retirement benefit at the time of his or her previous retirement or other termination of employment; provided, however, that if the Employee received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.5 because of such retirement or termination of employment, his or her prior Service and Credited Service shall be lost and shall not be reinstated unless the Employee meets the requirements of the following Section; or

(b) the Employee terminated employment before satisfying the conditions of eligibility for any retirement benefit under the Plan and either (i) the aggregate number of his or her years of Service (not including any years of Service not required to be aggregated because of previous Breaks in Service) is greater than the number of his or her consecutive Breaks in Service or (ii) the number of his or her consecutive Breaks in Service is less than 5.

Notwithstanding any other provision of this Section, if a retired or former Employee returns to employment in a capacity other than as an Employee, his or her period of employment shall be treated for the purposes of the Plan solely in accordance with the transfer provisions of this Article III.

3.5 Repayment of Distributed Benefits

If a former Participant who is not 100% vested and who received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.4 because of his or her prior retirement or termination of employment is reemployed by the Employer or an Affiliated Company, the Credited Service with which he or she was credited at the time of his or her prior retirement or other termination of employment shall be reinstated and aggregated with the Credited Service credited to the Participant following reemployment only if the Participant meets the requirements of this Section. Payment of the present value of a Participant's vested Accrued Benefit is deemed to be made because of his or her prior retirement or termination of employment if it is made before the end of the second Plan Year following the Plan Year in which such retirement or termination occurred. Such Participant must:

(a) be reemployed by the Employer or an Affiliated Company prior to incurring 5-consecutive Breaks in Service following the date of the single sum payment;

(b) resume employment covered under the Plan; and

(c) repay to the Plan the full amount of the distribution with interest before the earlier of (i) the date the Participant incurs 5-consecutive Breaks in Service following the date of the single sum payment or (ii) the date which is 5 years after his or her reemployment date. For purposes of this paragraph, interest shall accrue annually, beginning on the date of the single sum payment, at the rate provided in Code Section 411(c)(2)(C), as in effect on the date of repayment.

If a former Participant who is 100% vested and who received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.5 because of his or her prior retirement or termination of employment is reemployed by the Employer or an Affiliated Company, the Credited Service with which he or she was credited at the time of his or her prior retirement or other termination of employment shall not be reinstated.

3.6 Finality of Determinations

All determinations with respect to the crediting of Service and Credited Service under the Plan shall be made on the basis of the records of the Employer, and all determinations so made shall be final and conclusive upon Employees, former Employees, and all other persons claiming a benefit interest under the Plan. Notwithstanding anything to the contrary contained in this Article, there shall be no duplication of Service and Credited Service.

ARTICLE IV
ELIGIBILITY FOR PARTICIPATION

4.1 Participation

Participation with respect to employees other than Sworn Police Officers was frozen effective June 30, 2008. No person other than a Sworn Police Officer who was not an Active Participant on that date shall become an Active Participant hereunder.

Each Employee who was an Active Participant immediately prior to August 1, 2021, shall continue as an Active Participant hereunder. Each other person who is a Sworn Police Officer shall become an Active Participant as of the Entry Date coinciding with or immediately following the date on which the Sworn Police Officer becomes an Employee.

4.2 Pick-Up Contributions

Each Employee in Division B shall be required to have Pick-Up Contributions withheld from his or her Earnings as a condition of employment. Effective July 1, 2017, the amount of a Division B Employee's Pick-Up Contributions shall be based on the Employee's years of Service as follows:

Years of Service	Percentage of Earnings
Fewer than 22	7.2%
22 or more	8.2%

Pick-Up Contributions shall be treated as Employer contributions pursuant to Code Section 414(h)(2). The amount of such Pick-Up Contributions shall not be taxable to the Participant for the tax year in which it is contributed, but shall be taxable when it is distributed to the Participant in accordance with the terms of the Plan. No further Pick-Up Contributions shall be made to the Plan on a Participant's behalf on or after the earliest of (1) the Participant's Employment Severance Date, (2) the date the Participant ceases to be an Employee, or (3) the date the Participant has completed 30 years of Service.

4.3 Termination of Participation

A Participant who is a Sworn Police Officer shall remain an Active Participant as long as he or she continues in employment as an Employee. A person shall remain a Participant as long as he or she retains an Accrued Benefit under the Plan.

4.4 Participation Upon Reemployment

If a former Employee who is a Sworn Police Officer is reemployed as an Employee, he or she shall again become an Active Participant hereunder when the Employee performs an Hour of Service. A former Employee other than a Sworn Police Officer who is reemployed by the Employer shall not again become an Active Participant under the Plan. However, he or she shall continue to earn Service under the Plan for purposes of vesting and early retirement eligibility and shall be credited with Earnings for employment as an Employee following reemployment.

4.5 Finality of Determinations

All determinations with respect to the eligibility of an Employee to become a Participant under the Plan shall be made on the basis of the records of the Employer, and all determinations so made shall be final and conclusive for all Plan purposes. Each Employee who becomes a Participant shall be entitled to the benefits, and be bound by all the terms, provisions, and conditions of the Plan and the Funding Agreement.

ARTICLE V
NORMAL RETIREMENT

5.1 Eligibility

Each Participant who retires from employment with the Employer and all Affiliated Companies on or after Normal Retirement Date shall be eligible for a normal retirement benefit.

5.2 Amount of Normal Retirement Benefit

An eligible Participant's monthly normal retirement benefit shall be the amount determined (a) or (b) below, as applicable.

(a) Division A Participants: Effective December 2, 1996, but with respect only to Division A Participants who retire or otherwise terminate employment on or after that date, an eligible Division A Participant's monthly normal retirement benefit shall be equal to 1/12th of the amount in (1) below, plus the amount in (2) and (3), if applicable:

(1) 1.4% of the Participant's Average Annual Earnings multiplied by the number of his or her years of Credited Service (up to a maximum of 25 years) plus .45% of his or her Average Annual Earnings in excess of Covered Compensation multiplied by the number of his or her years of Credited Service (up to a maximum of 25 years).

In determining the amount payable under this paragraph (a) with respect to a Participant other than a Sworn Police Officer, only Credited Service earned prior to July 1, 2008 shall be taken into account.

(2) A Participant who retires from active employment under the early retirement provisions of the Plan or on or after Normal Retirement Date but before the Participant attains age 62 will be eligible for a Special Supplementary Benefit beginning on his or her Normal Retirement Date and continuing until he or she attains age 62. The yearly amount of such Special Supplementary Benefit will be equal to his or her Social Security Amount.

In no event will a Participant's monthly normal retirement benefit determined under this Section 5.2(a) be less than the greater of:

(3) the Participant's Accrued Benefit as of December 1, 1996, determined in accordance with the terms of the Plan as in effect on December 1, 1996; or

(4) the Participant's Accrued Benefit as of June 30, 2008, determined in accordance with the terms of the Plan as in effect on June 30, 2008.

(b) Division B Participants: Effective July 1, 2017, but with respect only to Participants who retire, die, or otherwise terminate their employment on or after that date, the monthly normal retirement benefit payable to a Division B Participant who retires on or after Normal Retirement Date is equal to the greater of the amount determined in (1) below or the minimum retirement benefit described in Section 5.3 plus the amount in (2), if applicable.

(1) 50% of the Participant's Average Annual Earnings multiplied by the ratio that the Participant's full and fractional years of Credited Service up to a maximum of 22 years bears to 22.

Provided, however, that the 50% will be increased by 1.66% (with a maximum of 55%) for each year of Credited Service in excess of 22 years with a total maximum of 25 years of Credited Service.

(2) Provided that the Special Supplementary Benefit will not be applicable to Division B Participants.

In no event will a reduction in Average Annual Earnings cause the retirement income determined for a Participant on his or her Normal Retirement Date to be less than the highest amount of retirement income the Participant would have received on the same form of payment had the Participant's service ceased at any time prior to Normal Retirement Date when the Participant was eligible to receive an immediate retirement income.

5.3 Minimum Benefit for Division B Participants

Notwithstanding any other provision of the Plan to the contrary, in no event will the monthly normal retirement benefit payable to a Division B Participant be less than the Division B Participant's Employee Derived Benefit.

5.4 Adjustment to Normal Retirement Benefit for Employment After Normal Retirement Date

The monthly normal retirement benefit payable with respect to each Division A Participant who continues in employment with the Employer or an Affiliated Company after Normal Retirement Date shall be the greater of:

(a) the Participant's Accrued Benefit as of the date such benefit is being determined; or

(b) the Participant's Accrued Benefit as of his or her Normal Retirement Date, multiplied by the appropriate late retirement adjustment factor as provided in the Adjustment Factors Addendum, based on the number of months his or her Annuity Starting Date follows his or her Normal Retirement Date.

The monthly normal retirement benefit payable with respect to each Division B Participant who continues in employment with the Employer or an Affiliated Company after Normal Retirement Date shall be the Participant's Accrued Benefit as of the date such benefit is being determined.

5.5 Payment

A monthly normal retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the month in which the Participant retires, but not later than his or her Required Beginning Date.

ARTICLE VI
EARLY RETIREMENT

6.1 Eligibility for Early Retirement Benefit

Each Division A Participant who retires from employment with the Employer and all Affiliated Companies at or after age 55, but prior to age 60 and prior to Normal Retirement Date, who has at least 10 years of Service shall be eligible for an early retirement benefit. The early retirement provisions of this Article do not apply to Division B Participants.

6.2 Amount of Early Retirement Benefit

An eligible Participant's monthly early retirement benefit shall be equal to his or her vested Accrued Benefit on the date of his or her early retirement; provided, however, that the amount of such benefit shall be reduced by multiplying such amount by the appropriate early commencement factor determined as provided in the Adjustment Factors Addendum.

A Participant's vested interest in his or her Accrued Benefit shall be determined in accordance with the schedule provided in Section 7.1.

6.3 Payment of Early Retirement Benefit

A monthly early retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of the month in which the Participant retires or the month in which the Participant makes written application for the benefit, but not later than his or her Normal Retirement Date.

ARTICLE VII
VESTED RIGHTS

7.1 Vesting

A Division B Participant's vested interest in his or her Employee Derived Benefit shall be at all times 100%.

A Division A Participant's vested interest in his or her Accrued Benefit and a Division B Participant's vested interest in his or her Employer Derived Benefit shall be determined in accordance with (a) or (b) below, based upon the number of full years of Service credited to him or her.

(a) Division A Participants: A Division A Participant's vested interest in his or her Accrued Benefit shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage
Fewer than 5	0%
5 or more	100%

(b) Division B Participants: A Division B Participant's vested interest in his or her Employer Derived Benefit shall be determined as follows:

(1) If the Division B Participant was hired as an Employee prior to July 1, 2017, the Participant's vested interest shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage
Fewer than 1	0%
1 or more	100%

(2) If the Division B Participant was hired as an Employee on or after July 1, 2017, the Participant's vested interest shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage
Fewer than 5	0%
5 or more	100%

Notwithstanding the foregoing, a Participant's vested interest in his or her Accrued Benefit or Employer Derived Benefit, as applicable, shall be 100% if the Participant is employed by the Employer or an Affiliated Company on his or her Normal Retirement Date or, for Division A

Participants, the date the Participant becomes eligible for early retirement in accordance with the provisions of Article VI, regardless of whether the Participant has completed the number of years of Service required under the schedule for 100% vesting.

7.2 Eligibility for Deferred Vested Retirement Benefit

Each Participant who terminates employment with the Employer and all Affiliated Companies, who has a vested interest in his or her Accrued Benefit, and who is not eligible for any other retirement benefit under the Plan shall be eligible for a deferred vested retirement benefit.

7.3 Amount of Deferred Vested Retirement Benefit

An eligible Participant's monthly deferred vested retirement benefit shall be equal to his or her vested Accrued Benefit on the date of termination; provided, however, that if the Participant is eligible to elect to begin benefit payments before Normal Retirement Date as provided in Section 7.4, the amount of such benefit shall be reduced for early commencement in the same way as provided in Section 6.2 with respect to an early retirement benefit.

7.4 Payment of Deferred Vested Retirement Benefit

A monthly deferred vested retirement benefit shall be paid to an eligible Participant commencing as of his or her Normal Retirement Date; provided, however, that a Division A Participant who has 10 years of Service may elect to begin benefit payments earlier as of the first day of any month following the month in which the Participant attains age 55.

7.5 Distribution of Accumulated Pick-Up Contributions

A Division B Participant who terminates employment for reasons other than death prior to becoming eligible for a normal retirement benefit under the Plan may elect to receive a cash distribution of his or her Accumulated Pick-Up Contributions at any time prior to the date payment of his or her retirement benefit begins (or, if the Participant is not eligible for a deferred vested retirement benefit, at the time such benefit could begin under the Plan, as elected by the Participant).

If a Division B Participant elects to receive payment of his or her Accumulated Pick-Up Contributions, his or her Accrued Benefit shall be forfeited.

If a former Participant whose Accrued Benefit is forfeited as provided herein returns to employment with the Employer or an Affiliated Company, his or her prior Accrued Benefit shall be restored if he or she meets all of the following requirements:

(a) he or she is reemployed by the Employer or an Affiliated Company prior to incurring 5 consecutive Breaks in Service following the date payment of his or her Accumulated Pick-Up Contributions was made;

(b) he or she resumes employment covered under the Plan; and

(c) he or she repays to the Plan the full amount of the distribution he or she received, with interest, before 5 years from the date of reemployment. For purposes of this paragraph, interest shall accrue annually, beginning on the date the Participant receives distribution of his or her Accumulated Pick-Up Contributions, at 5%.

ARTICLE VIII
DISABILITY RETIREMENT BENEFIT

8.1 No Disability Retirement Benefits Payable Under Plan

There shall be no ancillary disability or disability retirement benefits payable under the Plan.

ARTICLE IX
FORMS OF PAYMENT

9.1 Normal Form of Payment

Unless a Participant who is eligible to receive a retirement benefit under the Plan elects to receive payment of such benefit in an optional form provided under Section 9.2, payment shall be made in one of the following normal forms of payment:

(a) **Single Life Annuity for Unmarried Participants**. Accrued Benefits are determined assuming payment in this form. A Participant who is not married on his or her Annuity Starting Date shall receive such benefit in the form of a single life annuity. Such Participant shall receive a monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which his or her death occurs.

(b) **50% Qualified Joint and Survivor Annuity for Married Participants**. A Participant who is married on his or her Annuity Starting Date shall receive such benefit in the form of a 50% Qualified Joint and Survivor Annuity. Such Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which the Participant's death occurs. If the Participant's Spouse survives, then commencing with the month following the month in which the Participant's death occurs, the Spouse shall receive a monthly benefit for his or her remaining lifetime equal to 1/2 of the reduced amount payable during the Participant's lifetime, the last payment being for the month in which the Spouse's death occurs. A married Participant may elect to increase the survivor benefit payable to the Spouse under the Qualified Joint and Survivor Annuity to 100% or 66 2/3% of the reduced amount payable during the Participant's lifetime. Any such election must be made during the election period described in Section 9.5.

The reduced monthly payments to be made to the Participant under this paragraph shall be in an amount which, on the date of commencement thereof, is the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant under the form of payment described in paragraph (a).

To receive a benefit under the Qualified Joint and Survivor Annuity form of payment described in paragraph (b) above, a Participant's Spouse must be the same Spouse to whom the Participant was married on the Annuity Starting Date. Once a Participant's Annuity Starting Date occurs and retirement benefit payments commence under one of the normal forms of payment, the form of payment will not change even if the Participant's marital status changes.

Subject to the requirements of Section 9.6, a Participant may waive the normal form of payment applicable to him or her and elect to receive payment of his or her benefit in one of the optional forms of payment provided in Section 9.2.

9.2 Optional Forms of Payment

Within the election period described in Section 9.5, a Participant who is eligible to receive a normal, early, or deferred vested retirement benefit may elect to receive payment of such benefit in accordance with any one of the following options. If the Participant is married on his or her Annuity Starting Date, any such election must satisfy the requirements of Section 9.6.

If the Participant's Beneficiary under an optional form of payment dies prior to the Participant's Annuity Starting Date, the election shall become inoperative and ineffective, and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment prior to his or her Annuity Starting Date. Once a Participant's Annuity Starting Date occurs, however, the optional form of payment elected by the Participant will not change even if the Participant's marital status changes or his or her Beneficiary predeceases him or her.

The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the single life annuity form described in Section 9.1(a).

(a) **Single Life Annuity**. The Participant shall receive a monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which his or her death occurs.

(b) **100% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which the Participant's death occurs. If the Participant's Beneficiary survives, then commencing with the month following the month in which the Participant's death occurs, such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary's death occurs.

(c) **66 2/3% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which the Participant's death occurs. If the Participant's Beneficiary survives, then commencing with the month following the month in which the Participant's death occurs, such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to 66 2/3rds of the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary's death occurs.

(d) **50% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which the Participant's death occurs. If the Participant's Beneficiary survives, then commencing with the month following the month in which the Participant's death occurs, such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to 1/2 of the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary's death occurs.

(e) **10-Year Certain and Life Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which the Participant's death occurs. If the Participant's death occurs prior to the end of the 10-year period commencing with his or her Annuity Starting Date, his or her Beneficiary shall receive a continued monthly benefit equal to such reduced amount for the remainder of such 10-year period. If the Participant's Beneficiary dies after becoming eligible to receive a benefit hereunder, but prior to the end of the 10-year period, the unpaid monthly benefit shall be paid to the Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 9.3.

Notwithstanding any other provision of the Plan to the contrary, distribution under an optional form of payment shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the incidental death benefit requirement, as described in Article XVIII. If a Participant designates a person other than his or her Spouse as Beneficiary under an optional form of payment, and if payments under the optional form elected would not meet the incidental death benefit requirement, the election shall be ineffective and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment provided under the Plan prior to his or her Annuity Starting Date.

9.3 Designation of Beneficiary and Beneficiary in Absence of Designated Beneficiary

A Participant's Beneficiary may be any individual or, in the case of a Beneficiary to receive payments for the remainder of a period-certain under the form of payment elected by the Participant, any individuals, trust, or estate, selected by the Participant. A Participant's designation of a Beneficiary is subject to the spousal consent requirements of Section 9.6.

Once a Participant's Annuity Starting Date has occurred, the Participant may not change the joint annuitant designated to receive the survivor annuity under an optional joint and survivor annuity.

If payment is to be made to a Participant's surviving Beneficiary for the remainder of a period-certain under the form of payment elected by the Participant and no Beneficiary survives or the Participant has not designated a Beneficiary, the Participant's Beneficiary shall be the Participant's surviving Spouse or, if none, the Participant's surviving children in equal shares or, if none, the Participant's estate. If a Participant's Beneficiary dies after becoming eligible to receive payments for the remainder of the period certain, but before all such payments are made, the remaining payments shall be paid to the deceased Beneficiary's estate. If any payments are to be made to a trust or to the estate of a Participant as Beneficiary hereunder, such payments may be made in an Actuarially Equivalent single sum payment.

9.4 Notice Regarding Forms of Payment

The Administrator shall provide a Participant with a written description of (i) the terms and conditions of the normal forms of payment provided in Section 9.1, (ii) the optional forms of payment provided in Section 9.2, (iii) the Participant's right to waive the normal form of payment provided in Section 9.1 and to elect an optional form of payment and the effect thereof, (iv) the rights of the Participant's Spouse with respect to the Qualified Joint and Survivor Annuity form of payment, and (v) the Participant's right to revoke a waiver of the normal form of payment or to change his or her election of an option and the effect thereof. The explanation shall notify the Participant of his or her right to defer payment of his or her retirement benefit under the Plan until Normal Retirement Date, or such later date as may be provided under the Plan, and include a description of the effect upon the Participant's retirement benefit if the Participant does not elect to defer payment as permitted under the Plan. The Administrator shall provide such explanation no fewer than 30 days and no more than 90 days before a Participant's Annuity Starting Date.

Notwithstanding the foregoing, a Participant's Annuity Starting Date may occur fewer than 30 days after receipt of such explanation if the Administrator clearly informs the Participant:

(a) of his or her right to consider his or her form of payment election for a period of at least 30 days following his or her receipt of the explanation;

(b) the Participant, after receiving the explanation, affirmatively elects an early Annuity Starting Date, with his or her Spouse's written consent, if necessary;

(c) the Participant's Annuity Starting Date occurs after the date the explanation is provided to him or her;

(d) the election period described in Section 9.5 does not end until the later of his or her Annuity Starting Date or the expiration of the 7-day period beginning the day after the date the explanation is provided to him or her; and

(e) actual payment of the Participant's retirement benefit does not begin to the Participant before such revocation period ends.

Notwithstanding any other provision of this Section, the Administrator may provide the written explanation described in this Section to a Participant after the Participant's Annuity Starting Date has occurred provided that the election period described in Section 9.5 shall not end until 30 days after the date the explanation is provided to the Participant. A Participant may waive the additional 30 day election period if the Administrator informs the Participant of his or her election rights as provided in paragraph (a) above and (i) after receiving the explanation, the Participant affirmatively waives the additional 30 day election period, (ii) the Participant may revoke his or her form of payment election and/or waiver of the 30-day election period at any time prior to the expiration of the 7-day period beginning the day after the date the explanation is provided to the Participant, and (iii) actual payment of the Participant's retirement benefit does not begin before such revocation period ends.

9.5 Election Period

A Participant may waive or revoke a waiver of the normal form of payment provided in Section 9.1 and elect, modify, or change an election of an optional form of payment provided in Section 9.2 by written notice delivered to the Administrator at any time during the election period; provided, however that no waiver of the normal form of payment and election of an optional form of payment shall be valid unless the Participant has received the written explanation described in Section 9.4. Subject to the provisions of Section 9.4 extending a Participant's election period under certain circumstances, a Participant's "election period" means the 90-day period ending on his or her Annuity Starting Date.

The form in which a Participant shall receive payment of his or her retirement benefit shall be determined upon the later of the Participant's Annuity Starting Date or the date his or her election period ends, based upon any waiver and election in effect on such date. Except as otherwise specifically provided in the Plan, in no event shall the form in which a Participant's retirement benefit is paid be changed on or after such date.

9.6 Spousal Consent Requirements

A married Participant's waiver of the normal Qualified Joint and Survivor Annuity form of payment and his or her election, modification, or change of an election of an optional form of payment must include the written consent of the Participant's Spouse, if any. A Participant's Spouse shall be deemed to have given written consent to the Participant's waiver and election if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because of any of the following circumstances:

(a) the Spouse cannot be located,

(b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect, or

(c) other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder.

Notwithstanding the foregoing, written spousal consent shall not be required if the Participant elects an optional form of payment that is a Qualified Joint and Survivor Annuity.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the Qualified Joint and Survivor Annuity form of payment and of the election of an optional form of payment and shall be witnessed by a Plan representative or a notary public. In addition, the written spousal consent shall either (i) specify the optional form of payment selected by the Participant and that such form may not be changed (except to a Qualified Joint and Survivor Annuity) without written spousal consent and specify any Beneficiary designated by the Participant and that such Beneficiary may not be changed without written spousal consent or (ii) acknowledge that the Spouse has the right to limit consent as provided in clause (i), but permit the Participant to change the optional form of payment or the designated Beneficiary without the Spouse's further consent. Any written consent given or deemed to be given by a Participant's Spouse shall be irrevocable and shall be effective only with respect to such Spouse and not with respect to any subsequent Spouse.

9.7 Death Prior to Annuity Starting Date

Except as provided in Section 9.8, should a Participant die prior to his or her Annuity Starting Date neither the Participant nor any person claiming under or through the Participant shall be entitled to any retirement benefit under the Plan; and no benefit shall be paid under the Plan with respect to such Participant except any survivor benefit payable under the provisions of Article X.

9.8 Preservation of Election of Optional Form of Payment

If a Participant who continues employment after Normal Retirement Date and dies before his or her Annuity Starting Date has elected within the applicable election period (as defined in Section 10.6) an optional form of payment under Section 9.2 that provides for a survivor benefit, such form of payment election shall be given effect and payment shall be made to the Participant's Beneficiary in accordance with the provisions of Section 9.2; provided, however, that no benefits will be payable hereunder with respect to a married Participant whose Spouse would be entitled to a Qualified Preretirement Survivor Annuity under Article X unless the Participant has waived the Qualified Preretirement Survivor Annuity as provided in Article X.

9.9 Effect of Reemployment on Form of Payment

Notwithstanding any other provision of the Plan, if a former Employee is reemployed, his or her prior election of a form of payment hereunder shall become ineffective unless the Participant's Annuity Starting Date has occurred, in which case such election will continue to apply to benefits accrued both before and after reemployment.

ARTICLE X
SURVIVOR BENEFITS

10.1 Eligibility for Qualified Preretirement Survivor Annuity

If a Participant dies before his or her Annuity Starting Date, the Participant's surviving Spouse shall be eligible for a Qualified Preretirement Survivor Annuity if all of the following requirements are met on the Participant's date of death:

(a) The Participant has a Spouse as defined in Section 1.1(pp).

(b) The Participant has not waived the Qualified Preretirement Survivor Annuity and elected an optional form of payment that is given effect as provided in Section 9.8.

(c) The Participant has not waived the Qualified Preretirement Survivor Annuity and designated a death beneficiary to receive payment of the Participant's Accumulated Pick-Up Contributions as provided in Section 10.9(a).

(d) The Participant has a vested Accrued Benefit.

10.2 Amount of Qualified Preretirement Survivor Annuity

The monthly amount of the Qualified Preretirement Survivor Annuity payable to a surviving Spouse shall be equal to the survivor benefit that would have been payable to the Spouse if the Participant had:

(a) separated from service on the earlier of his or her actual separation from service date or his or her date of death;

(b) survived to the date as of which payment of the Qualified Preretirement Survivor Annuity to the surviving Spouse commences;

(c) elected to commence retirement benefits as of the date described in paragraph (b) above in the form of a 50% Qualified Joint and Survivor Annuity; and

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

Notwithstanding the foregoing, if prior to a Participant's death the Participant elected an optional form of payment in accordance with the provisions of Article IX that is a Qualified Joint and Survivor Annuity, for purposes of determining the amount of the Qualified Preretirement Survivor Annuity, the optional form of payment elected by the Participant shall be substituted for the 50% Qualified Joint and Survivor Annuity in paragraph (c) above.

10.3 Enhanced Qualified Preretirement Survivor Annuity

If a Participant dies while employed as an Employee after attaining age 55 and after completing 10 years of Service, the monthly amount of the Qualified Preretirement Survivor Annuity payable to the surviving Spouse shall be the greater of the amount determined in Section 10.2 or

50% of the Participant's Accrued Benefit on his or her date of death, without reduction for early commencement; provided, however, that the percentage of the Participant's Accrued Benefit payable to the Spouse as a Qualified Preretirement Survivor Annuity shall be reduced by 1% for each full year in excess of 10 by which the Spouse is younger than the Participant.

10.4 Payment of Qualified Preretirement Survivor Annuity

Payment of a Qualified Preretirement Survivor Annuity to a Participant's surviving Spouse shall commence as of the first day of the month following the later of (i) the month in which the Participant dies or (ii) the month in which the Participant would have attained earliest retirement age (as defined herein) under the Plan; provided, however, that the surviving Spouse of a Participant who is entitled to the enhanced Qualified Preretirement Survivor Annuity described in Section 10.3 may elect to commence payment as of the first day of the month following the month in which the Participant dies, regardless of whether the Participant would have attained earliest retirement age as of such date. Notwithstanding the foregoing, a Participant's surviving Spouse may elect to defer commencement of payment of the Qualified Preretirement Survivor Annuity to a date no later than the later of the Participant's Normal Retirement Date or the date the Participant would have attained age 62. If a Participant's surviving Spouse dies before the date as of which payment of the Qualified Preretirement Survivor Annuity is to commence to such Spouse, no Qualified Preretirement Survivor Annuity shall be payable hereunder.

Payment of a Qualified Preretirement Survivor Annuity shall continue to a Participant's surviving Spouse for such Spouse's lifetime, the last monthly payment being for the month in which the Spouse's death occurs.

10.5 Earliest Retirement Age

For purposes of this Article, a Participant's "earliest retirement age" means the first date the Participant would have both attained age 55 and completed at least 10 years of Service if the Participant had survived and had continued employment as an Employee. This definition of "earliest retirement age" shall apply to both Division A Participants and Division B Participants. If the surviving Spouse of a Division B Participant who is not entitled to an enhanced Qualified Preretirement Survivor Annuity under Section 10.3 elects to commence payment of the Qualified Preretirement Survivor Annuity prior to the Participant's Normal Retirement Date, the amount of the benefit that would have been payable to the Participant shall be adjusted as provided in Section 6.2 to reflect such early commencement.

10.6 Waiver of Qualified Preretirement Survivor Annuity

Notwithstanding any other provision of this Article to the contrary, at any time during the applicable election period (as defined herein), a Participant may waive the Qualified Preretirement Survivor Annuity or revoke a prior waiver of the Qualified Preretirement Survivor Annuity. A Participant's waiver or revocation of a waiver of the Qualified Preretirement Survivor Annuity must be by written notice delivered to the Administrator, in such form as the Administrator shall require.

The "applicable election period" means for any Division B Participant who wishes to designate a non-Spouse Beneficiary to receive distribution of his or her Accumulated Pick-Up Contributions upon his or her death in lieu of the Qualified Preretirement Survivor Annuity, the period beginning on the earlier of the first day of the Plan Year in which the Participant attains age 35 or the date the Participant terminates employment and ending on the earlier of the date of his or her death or his or her Annuity Starting Date. The applicable election period for a Participant who is eligible to elect an optional form of payment to be given effect in the event of his or her death as provided in Section 9.8 is the period beginning on his or her Normal Retirement Date and ending on the earlier of the date of his or her death or his or her Annuity Starting Date. Notwithstanding the foregoing, the applicable election period with respect to a Participant shall not include any period prior to the date the Participant receives the notice described in Section 10.8.

10.7 Spousal Consent to Waiver of Qualified Preretirement Survivor Annuity

A Participant's waiver of the Qualified Preretirement Survivor Annuity must include the written consent of the Participant's Spouse. A Participant's Spouse will be deemed to have given written consent to the Participant's waiver if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because of any of the following circumstances:

(a) the Spouse cannot be located,

(b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect, or

(c) other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the Qualified Preretirement Survivor Annuity and shall be witnessed by a Plan representative or a notary public.

In addition, the written spousal consent must either (i) specify any optional form of payment elected by the Participant as provided in Section 9.8 and any Beneficiary designated by the Participant under such optional form of payment any death beneficiary designated to receive the death benefit provided in Section 10.9(a) and that such optional form of payment and Beneficiary or death beneficiary, as applicable, may not be changed without written spousal consent or (ii) acknowledge that the Spouse has the right to limit consent as provided in clause (i), but permit the Participant to change the optional form of payment and Beneficiary or designated death beneficiary, as applicable, without the Spouse's further consent.

10.8 Notice Regarding Qualified Preretirement Survivor Annuity

The Administrator shall provide each Participant with a written explanation of (i) the terms and conditions of the Qualified Preretirement Survivor Annuity, (ii) the Participant's right to waive the Qualified Preretirement Survivor Annuity and the effect thereof, (iii) the rights of the Participant's Spouse with respect to the Qualified Preretirement Survivor Annuity, and (iv) the Participant's right to revoke a waiver and the effect thereof. Such explanation shall be consistent with regulations issued under Code Section 401(a)(11). The Administrator shall provide such notice to a Division B Participant who has an Employee Derived Benefit within the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the Participant attains age 35 or if the Participant separates from service prior to attaining age 35, within the period beginning 12 calendar months before the Participant's separation from service and ending 12 calendar months after separation from service.

The Administrator shall provide such notice to a Participant who is eligible to elect an optional form of payment to be given effect in the event of the Participant's death as provided in Section 9.8 within the period beginning 12 calendar months before such Participant's Normal Retirement Date and ending 12 calendar months after Normal Retirement Date.

10.9 Special Death Benefit for Division B Participants

A Division B Participant may designate a death beneficiary to receive the death benefit provided herein.

(a) **Death Prior to Commencement of Benefit Payments**. If a Division B Participant dies prior to his or her Annuity Starting Date and no benefit is payable to his or her Beneficiary under an optional form of payment given effect under the provisions of Section 9.8 and no Qualified Preretirement Survivor Annuity is payable under the provisions of this Article, then the Division B Participant's death beneficiary shall receive a death benefit, payable in a single sum, that is equal to the Division B Participant's Accumulated Pick-Up Contributions. If elected by the Division B Participant or the Division B Participant's death beneficiary, such death benefit may be paid in level monthly installments over a period not to exceed 10 years.

A Division B Participant's Accumulated Pick-Up Contributions shall be determined as of the date of the Division B Participant's death.

(b) **Death After Commencement of Benefit Payments**. A Division B Participant's death beneficiary may be eligible for a death benefit as provided below when either of the following requirements is met:

(1) the Division B Participant dies prior to his or her Annuity Starting Date and either a benefit is payable to the Participant's Beneficiary under an optional form of payment that is given effect under the provisions of Section 9.8 or a Qualified Preretirement Survivor Annuity is payable under the provisions of this Article, and the Participant's Beneficiary or surviving Spouse also dies; or

(2) the Division B Participant dies after his or her Annuity Starting Date and either the form of payment elected by the Division B Participant under the provisions of Article IX does not provide for continued benefits in the event of the Division B Participant's death or the Division B Participant's Beneficiary also dies.

The Division B Participant's death beneficiary shall receive a death benefit, payable in a single sum, that is equal to the excess, if any, of (i) the Division B Participant's Accumulated Pick-Up Contributions, determined as of the date benefit payments commenced under the Plan, over (ii) the amount of all benefit payments made under the terms of the Plan either to the Division B Participant and/or his or her Beneficiary under the provisions of Article IX or to the Division B Participant's surviving Spouse under the provisions of this Article.

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

Notwithstanding the foregoing, a married Division B Participant's designation of a death beneficiary to receive the death benefit provided in paragraph (a) of this Section shall not be given effect unless the Division B Participant's designation meets the requirements of Sections 10.6 and 10.7. Spousal consent shall be required to a Division B Participant's designation of a death beneficiary hereunder.

If no death beneficiary shall have been designated by a Division B Participant, or if all persons designated by the Division B Participant as death beneficiary shall die before becoming entitled to a death benefit hereunder, then such Division B Participant's death beneficiary shall be the Division B Participant's surviving Spouse or, if none, the Division B Participant's surviving children in equal shares or, if none, the Division B Participant's estate. A death beneficiary designation under this Section shall be separate from any Beneficiary designation under the provisions of Article IX.

ARTICLE XI
GENERAL PROVISIONS & LIMITATIONS
REGARDING BENEFITS

11.1 Suspension of Benefits

If a Participant continues employment with the Employer or an Affiliated Company after reaching Normal Retirement Date or a retired or former Employee is reemployed by the Employer or an Affiliated Company, any benefits payable to such Participant or retired or former Employee under the Plan shall be suspended during the period of such employment or reemployment, as applicable.

11.2 Non-Alienation of Retirement Rights or Benefits

Except as provided in Code Section 401(a)(13)(B) (relating to qualified domestic relations orders), Section 1.401(a)-13(b)(2) of the Treasury Regulations (relating to Federal tax levies), or as otherwise required by law, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have the power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void.

11.3 Payment of Benefits to Others

If the Administrator finds that any individual to whom a benefit is payable hereunder is incapable of attending to his or her financial affairs because of any mental or physical condition, including the infirmities of advanced age, any payment due may, in the discretion of the Administrator, be paid to such individual's court appointed guardian, to another person with a valid power of attorney, or to another person authorized under state law to receive the benefit. The monthly payment of a benefit to a person for the month in which such person dies shall, if not paid to such person prior to death, be paid to such person's spouse, parent, brother, sister, or estate, or in accordance with local or state law, as the Administrator shall determine. The Funding Agent shall make any such payments only upon receipt of written instructions to such effect from the Administrator. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

If payment of a benefit is to be made to a minor Beneficiary, the Administrator may, in its discretion, pay the amount to a court-appointed guardian or other legal representative, to the authorized person or entity (e.g., custodian or guardian) under the applicable state Uniform Gifts to Minors Act or Uniform Transfers to Minors Act, or to a trust that has been established for the benefit of the minor. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

11.4 Missing Payees and Unclaimed Benefits

With respect to a Participant or Beneficiary who has not claimed any benefit (the "missing payee") to which such missing payee is entitled, and with respect to any Participant or Beneficiary who has not satisfied the administrative requirements for benefit payment, the Administrator may elect, in its discretion, to do any of the following:

(a) segregate the benefit into an interest bearing account, in which event an annual maintenance fee as may be set from time to time in a policy established by the Sponsor may be assessed against the segregated account;

(b) subject to a policy established by the Administrator, distribute the benefit at any time in any manner which is sanctioned by the Internal Revenue Service and/or the Department of Labor, which may include (but not be limited to) (1) distributing the benefit in an automatic direct rollover to an individual retirement plan designated by the Administrator; such individual retirement plan, as defined in Code Section 7701(a)(37), may be either an individual retirement account within the meaning of Code Section 408(a) or an individual retirement annuity within the meaning of Code Section 408(b); or (2) distributing the benefit to any authorized Federal Department or agency;

(c) distribute the benefit to any person or entity who is appointed under State (or Commonwealth) law to act as a duly authorized guardian, legal representative, conservator, or power of attorney; or

(d) treat the entire benefit as a forfeiture.

If a missing payee whose benefit has been forfeited is located, or if a payee whose benefit has been forfeited for failure to satisfy the administrative requirements for benefit payment subsequently satisfies such administrative requirements and claims his or her benefit, and if the Plan has not terminated (or if the Plan has terminated, all benefits have not yet been paid), then the benefit will be restored. The Administrator, on a case by case basis, may elect to restore the benefit by the use of earnings from non-segregated assets of the Pension Fund, by Employer contributions, or by any combination thereof. However, if any such payee has not been located (or satisfied the administrative requirements for benefit payment) by the time the Plan terminates and all benefits have been distributed from the Plan, then the forfeiture of any such unpaid benefit will not be restored.

11.5 Payment of Small Benefits; Deemed Cashout

If the Actuarially Equivalent present value of any retirement benefit payable under Section 5.1, 6.1, or 7.2 or any survivor benefit to a Division A Participant or to the Beneficiary of a Division A Participant, as applicable, is $5,000 or less, such Actuarially Equivalent present value shall be paid to the Participant, or his or her Beneficiary, if applicable, in a single sum payment, in lieu of all other benefits under the Plan, as soon as practicable following the date of the Participant's retirement, death, or other termination of employment and he or she shall cease to be a Participant under the Plan as of the date of such payment. The provisions of this paragraph shall not apply to Division B Participants or Beneficiaries of Division B Participants.

Notwithstanding the foregoing, if the Actuarially Equivalent present value of any retirement benefit payable under the Plan to a Participant is greater than $1,000, such Actuarially Equivalent present value shall not be paid to the Participant in a single sum payment prior to the later of (i) the date the Participant attains age 62 or (ii) the Participant's Normal Retirement Date, unless the Participant consents in writing to such distribution. The provisions of this paragraph shall not apply to a distribution to a Participant's surviving spouse, alternate payee under a domestic relations order, or other Beneficiary.

If the nonforfeitable Accrued Benefit of a Participant is zero, such Participant shall be deemed to have received distribution of his or her entire vested Accrued Benefit under the Plan, in lieu of all other benefits under the Plan, as of the date of his or her termination of employment with the Employer and all Affiliated Companies and he or she shall cease to be a Participant under the Plan as of such date.

A former Division A Participant who received a distribution hereunder, other than a deemed distribution, because of retirement or other termination of employment shall lose the Credited Service with which he or she was credited at the time of his or her prior termination of employment or retirement. If such former Participant is reemployed, such prior Credited Service shall not be reinstated unless the former Participant satisfies the requirements of Section 3.5.

A distribution hereunder is deemed to be made because of a Participant's retirement or termination of employment if it is made before the end of the second Plan Year following the Plan Year in which such retirement or termination occurred.

11.6 Direct Rollovers

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving a single sum payment as provided in Section 11.5, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Sponsor, 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". Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover. Notwithstanding the foregoing, the Administrator may elect not to permit a direct rollover of (i) a "qualified distributee's" full distribution if the total distribution is less than $200 or (ii) a portion of a "qualified distributee's" distribution if the partial distribution is less than $500.

The Administrator shall provide a "qualified distributee" with a notice describing his or her right to make a direct rollover of an "eligible rollover distribution." A "qualified distributee" shall have a period of at least 30 days after receiving such notice to determine whether or not to roll over his or her "eligible rollover distribution." A Participant may waive this 30-day period if:

(a) the Administrator clearly informs the Participant of the Participant's right to consider whether to make a direct rollover for a period of at least 30 days following receipt of the explanation; and

(b) the Participant, after receiving the explanation, affirmatively elects an early Annuity Starting Date.

For purposes of this Section, the following terms have the following meanings:

(c) An "**eligible retirement plan**" with respect to a "qualified distributee" who is the Participant, the Participant's surviving Spouse, or the Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) a Roth IRA described in Code Section 408A, (iv) an annuity plan described in Code Section 403(a) that accepts rollover, (v) a qualified trust described in Code Section 401(a) that accepts rollovers, (vi) an annuity contract described in Code Section 403(b) that accepts rollovers, or (vii) an eligible plan under Code Section 457(b) that is maintained by a state or political subdivision of a state and that agrees to separately account for amounts transferred into such plan from the Plan.

An "**eligible retirement plan**" with respect to a "qualified distributee" other than the Participant, the Participant's surviving Spouse, or the Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order means either an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (including any such individual retirement account or annuity designated as a Roth IRA pursuant to Code Section 408A) (an "IRA"). Such IRA must be treated as an IRA inherited from the deceased Participant by the "qualified distributee" and must be established in a manner that identifies it as such.

(d) An "**eligible rollover distribution**" means any distribution of all or any portion of a Participant's Accrued Benefit or a distribution of all or any portion of a survivor benefit under Article X ; provided, however, that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the qualified distributee or the joint lives or joint life expectancies of the qualified distributee and the qualified 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).

(e) A "**qualified distributee**" means a Participant, the Participant's surviving Spouse, or the Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), and a Participant's non-

Spouse Beneficiary who is the Participant's designated beneficiary within the meaning of Code Section 401(a)(9)(E).

11.7 Limitations on Commencement

The provisions of this Section are included solely for purposes of complying with Code Section 401(a)(9). Nothing in this Section is intended to postpone payments beyond the date otherwise required under the terms of the Plan.

Notwithstanding any other provision of the Plan to the contrary, payment of a Participant's retirement benefit shall commence not later than the Participant's Required Beginning Date.

Distributions required to commence under this Section shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, as described in Article XVIII. If payment of a Participant's retirement benefit does not commence until the Participant's Required Beginning Date, the Required Beginning Date shall be considered the Participant's Annuity Starting Date for all purposes of the Plan.

Subject to the requirements of Code Sections 401(a)(9), no benefit payments shall commence under the Plan until the Participant, or the Participant's surviving Spouse, if applicable, makes written application therefore on a form satisfactory to the Administrator. If the amount of a monthly retirement benefit payable to a Participant cannot be determined for any reason (including lack of information as to whether the Participant is still living or his or her marital status) on the date payment of such benefit is to commence under this Section, payment shall be made retroactively to such date no later than 60 days after the date on which the amount of such monthly retirement benefit can be determined.

11.8 Offset to Accrual After Normal Retirement Date

The amount of benefit accrued by an Employee for each year of Credited Service that the Employee completes after the date retirement income becomes payable to him or her by reasons other than retirement or termination of employment shall be reduced (but not below zero) by the Actuarial Equivalent of the retirement benefits paid to the Employee for the period for which he or she accrues such year of Credited Service.

ARTICLE XII
MAXIMUM RETIREMENT BENEFITS

12.1 Definitions

For purposes of this Article XII, the following terms have the following meanings.

(a) An "**affiliated employer**" means any corporation or business, other than the Employer, which would be aggregated with the Employer for a relevant purpose under Code Section 414 as modified by Code Section 415(h).

(b) A Participant's "**aggregate annual retirement benefit**" means the sum of the Participant's "annual retirement benefit" under the Plan and the Participant's "annual retirement benefit", if any, under any and all other "defined benefit plans" (whether or not terminated) maintained by the Employer, any "affiliated employer", or a "predecessor employer" that are required to be aggregated with the Plan in accordance with the provisions of Treasury Regulations Section 1.415(f)-1.

(c) A Participant's "**annual retirement benefit**" means the amount of retirement benefit attributable to Employer contributions (including benefits attributable to contributions picked up by the Employer, as described in Code Section 414(h)(2), if any) which is payable to the Participant annually under the Plan adjusted to the actuarially equivalent single life annuity form using the factors prescribed in the following paragraphs if such benefit is to be paid in a manner other than to the Participant for his or her life only. A Participant's "annual retirement benefit" includes Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another "defined benefit plan", other than transfers of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), but shall not include the following: (A) benefits attributable to a Participant's "employee contributions;" (B) any repayment of contributions made by a Participant to the Plan with respect to an amount previously refunded upon the forfeiture of service credits under the Plan or another governmental plan maintained by a State or local governmental employer within the same State; or (C) benefits provided under a "qualified governmental excess benefit arrangement," as defined in Code Section 415(m)(3).

For purposes of determining a Participant's "annual retirement benefit", the following shall apply:

(1) If payment is to be made in a form other than to the Participant for his or her life only, and such form is not subject to the requirements of Code Section 417(e)(3), the actuarially equivalent single life annuity shall be the greater of:

(A) the annual amount of single life annuity, if any, payable to the Participant under the Plan commencing at the same Annuity Starting Date as the Participant's form of payment; or

(B) the annual amount of single life annuity commencing at the same Annuity Starting Date that has the same actuarially equivalent present value as the

Participant's form of payment computed using the "applicable mortality table" and an interest rate of 5%.

(2) If payment is to be made to the Participant in a form that is subject to the requirements of Code Section 417(e)(3), the actuarially equivalent single life annuity form shall be the annual amount of single life annuity commencing on the same Annuity Starting Date that has the same actuarially equivalent present value as the Participant's form of payment determined using the following factors, whichever provide the greatest annual amount:

(A) the mortality table and interest rate otherwise used under the Plan for purposes of determining Actuarial Equivalence of such optional form;

(B) the "applicable mortality table" and an interest rate of 5.5%; or

(C) the "applicable mortality table" and the "417(e) interest rate" determined as of the second calendar month preceding the Plan Year in which the distribution is made, with the resulting amount divided by 1.05.

(3) A form of payment is not subject to the requirements of Code Section 417(e)(3) if the form of payment is either (A) a non-decreasing annuity (other than a single life annuity) payable for a period not less than the life of the Participant (or in the case of a Qualified Preretirement Survivor Annuity, the life of the Participant's Spouse) or (B) an annuity that decreases during the life of the Participant merely because of (I) the death of the Participant's Beneficiary under a joint and survivor annuity, but only if the reduction is not below 50% of the benefit payable before the death of the Beneficiary or (II) cessation or reduction of Social Security supplements or qualified disability payments, as defined in Code Section 401(a)(11).

(4) No actuarial adjustment shall be made hereunder for the following:

(A) survivor benefits payable to a surviving Spouse under a Qualified Joint and Survivor Annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form;

(B) benefits that are not directly related to retirement benefits (such as qualified disability benefits, preretirement incidental death benefits, and post-retirement medical benefits); or

(C) the inclusion in the form of payment of an automatic benefit increase feature, provided that (I) the form of payment is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Article XII and (II) the Plan provides that the amount payable under the form of payment in any "limitation year" shall not exceed the limits of this Article XII applicable as of the Annuity Starting Date, increased in subsequent years pursuant to Code Section 415(d). For purposes of this paragraph (C), an automatic benefit increase feature is included in a form of payment if the form of payment provides for automatic, periodic increases to benefits paid in that form.

(5) If a Participant has or will have distributions commencing at more than one Annuity Starting Date, the "annual retirement benefit" shall be determined as of each Annuity Starting Date (and shall satisfy the limitations of this Article XII as of each such date), actuarially adjusting for past and future distributions of benefits commencing as of other Annuity Starting Dates. For purposes of this paragraph (5), the determination of whether a new Annuity Starting Date has occurred shall be made without regard to Treasury Regulations Section 1.401(a)-20, Q&A 10(d), but with regard to Treasury Regulations Sections 1.415(b)-1(b)(1)(iii)(B) and (C).

(d) The "**applicable mortality table**" means the applicable Code Section 417(e)(3) mortality table.

(e) "**Defined benefit plan**" and "**defined contribution plan**" have the meanings given such terms in Code Section 415(k).

(f) The "**defined benefit dollar limitation**" means the dollar limit in effect for the "limitation year" under Code Section 415(d) ($230,000 for the "limitation year" beginning in 2021), based on a benefit payable in the form of a single life annuity. Any adjustment to the "defined benefit dollar limitation" made under Code Section 415(d) will apply to "limitation years" ending with or within the calendar year for which the adjustment applies.

The "defined benefit dollar limitation" shall be adjusted as follows:

(1) If the Participant has fewer than 10 years of participation in the Plan, the "defined benefit dollar limitation" shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof, but not less than one) of participation in the plan and (ii) the denominator of which is 10. For purposes of this paragraph (1), a Participant is credited with a "year of participation" (computed to fractional years) for each year (or fraction of a year) of Credited Service with which the Participant is credited under the Plan, provided that (A) he or she is included as a Participant under the eligibility provisions of the Plan for at least one day of each such year (or fraction of a year) and (B) the Plan is established no later than the last day of such year (or fraction of a year).

The adjustment provided in this paragraph (g)(1) shall not apply to the following:

(A) benefits payable to a Participant or the Participant's Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

(B) benefits payable to a Participant's Beneficiary as a result of the death of the Participant.

(2) If the benefit of a Participant begins prior to age 62, the "defined benefit dollar limitation" applicable to the Participant at such earlier age is an annual benefit payable in the form of a single life annuity beginning at the Participant's Annuity Starting Date that is the following, as applicable:

(A) If the plan does not provide an immediately commencing single life annuity commencing at both age 62 and the Participant's age at his or her Annuity Starting Date, the actuarial equivalent of the "defined benefit dollar limitation" (adjusted for years of participation under (1) above, if required) determined using the "applicable mortality table" (expressing the Participant's age based on completed calendar months as of the Annuity Starting Date) and an interest rate of 5%.

(B) If the plan does provide an immediately commencing single life annuity commencing at both age 62 and the Participant's age at his or her Annuity Starting Date, the lesser of: (a) the amount determined under (A) above or (b) the "defined benefit dollar limitation" (adjusted for years of participation under (1) above, if required) multiplied by the ratio of the annual amount of the immediately commencing single life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing single life annuity under the Plan at age 62, both determined without applying the limitations of this Article XII.

Any decrease in the "defined benefit dollar limitation" determined in accordance with paragraph (2)(A) above shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account. For this purpose, no forfeiture is treated as occurring upon the Participant's death if the Plan does not charge Participants for providing Qualified Preretirement Survivor Annuity coverage.

The adjustment provided in this paragraph (g)(2) shall not apply to the following:

(C) benefits payable to a Participant or his or her Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

(D) benefits payable to a Participant's Beneficiary as a result of the death of the Participant; or

(E) benefits payable to any "qualified participant", as defined herein. A "qualified participant" means any Participant whose period of service under the Plan includes at least 15 years as (A) a member of the Armed Forces and/or (B) a full-time employee of a police or fire department organized and operated by the Employer to provide police protection, firefighting services, or emergency medical services for an area within the jurisdiction of such Employer.

(3) If the benefit of a Participant begins after the Participant attains age 65, the "defined benefit dollar limitation" applicable to the Participant at the later age is an annual benefit payable in the form of a single life annuity beginning at the Annuity Starting Date that is the following, as applicable:

(A) If the plan does not provide an immediately commencing single life annuity commencing at both age 65 and the Participant's age at his or her Annuity Starting Date, the actuarial equivalent of the "defined benefit dollar limitation" (adjusted for years of participation under (1) above, if required) determined using the "applicable mortality table" (expressing the Participant's age based on completed calendar months as of the Annuity Starting Date) and an interest rate of 5%.

(B) If the plan does provide an immediately commencing single life annuity commencing at both age 65 and the Participant's age at his or her Annuity Starting Date, the lesser of: (a) the amount determined under (A) above or (b) the "defined benefit dollar limitation" (adjusted for years of participation under (1) above, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing single life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing single life annuity under the Plan at age 65, both determined without applying the limitations of this Article XII. The adjusted immediately commencing single life annuity at the Participant's Annuity Starting Date is the annual amount of such annuity payable to the Participant computed disregarding accruals after age 65, but including actuarial adjustments even if those adjustments are used to offset accruals and the adjusted immediately commencing single life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable to a hypothetical Participant who is age 65 and has the same Accrued Benefit as the Participant.

Any adjustment to the "defined benefit dollar limitation" determined in accordance with paragraph (3)(A) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account. For this purpose, no forfeiture is treated as occurring upon the Participant's death if the Plan does not charge Participants for providing Qualified Preretirement Survivor Annuity coverage.

(g) An "**employee contribution**" means any employee after-tax contribution contributed by a Participant under any qualified plan of the Employer or an "affiliated employer", including mandatory employee contributions, as defined in Code Section 411(c)(2)(C).

(h) The "**417(e) interest rate**" means the adjusted first, second and third segment rates applied under Code Section 430(h)(2)(C), computed without regard to a 24 month average.

(i) The "**limitation year**" means the calendar year.

(j) A "**predecessor employer**" means (1) any former employer with respect to which the Employer or "affiliated employer" maintains a plan that provides benefits that the Participant accrued while performing services for such other employer or (2) a former entity that antedates the Employer or an "affiliated employer" if under the facts and circumstances the Employer or "affiliated employer" constitutes a continuation of all or a part of the trade or business of the former entity.

12.2 Maximum Limitation on Annual Benefits

The "aggregate annual retirement benefit" payable to a Participant may not at any time within any "limitation year" exceed the "defined benefit dollar limitation"; provided, however, that the "aggregate annual retirement benefit" payable to a Participant shall be deemed not to exceed such limits if both of the following requirements are met:

(a) The Employer, all "affiliated employers", and any "predecessor employer" have not at any time maintained a separate "defined contribution plan" in which the Participant participated; and

(b) The "aggregate annual retirement benefit" payable for a "limitation year" under any available form of payment does not exceed $10,000; provided that if the Participant has fewer than 10 years of service, as defined below, such dollar amount shall be adjusted by multiplying it by a fraction, the numerator of which is the Participant's number of years of service (or part thereof, but not less than one) and the denominator of which is 10. The adjustment to the dollar amount provided under this paragraph (b) shall not apply to the following:

(1) benefits payable to a Participant or the Participant's Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

(2) benefits payable to a Participant's Beneficiary as a result of the death of the Participant.

For purposes of paragraph (b) above, a Participant is credited with a "year of service" (computed to fractional years) equal to the years of Credited Service with which the Participant would have credited under the Plan, taking into account service with the Employer, any "affiliated employer", or a "predecessor employer."

If a Participant makes one or more contributions to the Plan for purposes of purchasing "permissive service credits," as defined in Code Section 415(n)(3), the requirements of Code Section 415 shall be satisfied if either:

(c) the requirements of this Section 12.2 are satisfied including the accrued benefit derived from such contributions in the Participant's "aggregate annual retirement benefit;" or

(d) the requirements of Code Section 415(c) are met for the "limitation year" in which the contributions are made, aggregating such contributions with other "annual additions," as defined in Code Section 415(c)(2) and regulations issued thereunder, made to plans maintained by the Employer and "affiliated employers."

12.3 Grandfather Prior Benefits

Notwithstanding any other provision of this Article to the contrary, in no event will application of the limits contained in this Article reduce the "aggregate annual retirement benefit" payable to a Participant below the "aggregate annual retirement benefit" payable to the Participant as of the end of the last "limitation year" beginning before July 1, 2007 under the provisions of the Plan adopted and in effect before April 5, 2007, provided that such provisions satisfied the requirements of Code Section 415 and the regulations and published guidance issued thereunder in effect as of the end of the last "limitation year" beginning before July 1, 2007, as provided in Treasury Regulations Section 1.415(a)-1(g)(4).

12.4 Manner of Reduction

If a Participant's "annual retirement benefit" payable for a "limitation year" would otherwise exceed the limitations specified in this Article, the Participant's "annual retirement benefit" payable for such "limitation year" shall be reduced to the extent necessary. If a Participant is also covered by another "defined benefit plan" required to be aggregated with the Plan under Treasury Regulations Section 1.415(f)-1 and the Participant's "aggregate annual retirement benefit" payable for a "limitation year" would exceed the limitations of this Section, the Participant's "annual retirement benefit" payable for such "limitation year" shall be reduced by an amount equal to the amount by which the Participant's "aggregate annual retirement benefit" payable for such “limitation year” would exceed the limitations of this Section multiplied by a fraction, the numerator of which is the Participant’s “annual retirement benefit” (determined without regard to this Section) and the denominator of which is the Participant’s “aggregate annual retirement benefit” (determined without regard to the limitations of this Section or any corresponding limitation in any other “defined benefit plan” maintained by the Employer, any “affiliated employer,” or any predecessor employer”).

If the limitation contained in this Article is nevertheless exceeded with respect to a Participant for any “limitation year,” correction shall be made in accordance with the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure 2021-30, or any superseding guidance.

ARTICLE XIII
PENSION FUND

13.1 Pension Fund

The Pension Fund is maintained by the Funding Agent for the Plan under a Funding Agreement with the Sponsor. Subject to the provisions of applicable state law, benefits under the Plan shall be only such as can be provided by the assets of the Pension Fund, and no liability for payment of benefits shall be imposed upon the Employer or any Affiliated Company, or any of their officers, employees, directors, or stockholders.

13.2 Contributions by the Employer

So long as the Plan continues, contributions will be made by the Employer at such times and in such amounts as the Sponsor in its sole discretion shall from time to time determine, based on the advice of the Actuary and consistent with the funding policy for the Plan. Subject to the provisions of Section 13.5, all such contributions shall be delivered to the Funding Agent for deposit in the Pension Fund.

13.3 Expenses of the Plan

The expenses of administration of the Plan, including the expenses of the Administrator and fees of the Funding Agent and any investment advisor, shall be paid from the Pension Fund, unless the Sponsor or the Employer elects to make payment.

13.4 No Reversion

The Pension Fund shall be for the exclusive benefit of Participants and persons claiming under or through them. All contributions pursuant to Section 13.2 hereof shall be based on the facts then understood by the Sponsor and shall be conditioned upon the initial qualification of the Funding Agreement and Plan under Code Sections 401 and 501(a). All such contributions shall be irrevocable and such contributions as well as the Pension Fund, or any portion of the principal or income thereof, shall never revert to or inure to the benefit of the Employer or any Affiliated Company except that:

(a) the residual amounts specified in Article XVI may be returned to the Employer;

(b) any contributions which are made under a mistake of fact (reduced by any losses attributable thereto) may be returned to the Employer within one year after the contributions were made; and

(c) any contributions made for years during which the Funding Agreement and Plan were not initially qualified under Code Sections 401 and 501(a) may be returned to the Employer within one year after the date of denial of initial qualification, but only if an application for determination was filed within the period of time prescribed under ERISA Section 403(c)(2)(B).

The Sponsor shall determine, in its sole discretion, whether the contributions described above, other than the residual amounts described in paragraph (a), shall be returned to the Employer. If any such contributions are to be returned, the Sponsor shall so direct the Funding Agent, in writing, no later than 10 days prior to the last day upon which they may be returned.

13.5 Forfeitures Not to Increase Benefits

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

13.6 Change of Funding Medium

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

ARTICLE XIV
ADMINISTRATION

14.1 Authority of the Sponsor

The Sponsor which shall be the plan administrator for purposes of the Code, shall have all the powers and authority expressly conferred upon it herein and further shall have the sole discretionary right, authority, and power to interpret and construe the Plan, and to determine any disputes arising thereunder, subject to the provisions of Section 14.4. In exercising such powers and authority, the Sponsor at all times shall exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Sponsor may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties hereunder. The Sponsor may designate a person or persons to carry out any of its powers, authority, or responsibilities for the operation and administration of the Plan, except that no designation by the Sponsor with respect to any of such powers, authority, or responsibilities to such other person shall become effective unless such allocation or designation shall first be accepted by such other person in a writing signed by it and delivered to the Sponsor.

14.2 Discretionary Authority

In carrying out its duties under the Plan, including making benefit determinations, interpreting or construing the provisions of the Plan, and resolving disputes, the Sponsor (or any individual to whom authority has been delegated in accordance with Section 14.1) shall have absolute discretionary authority.

Any interpretation of Plan provisions and any findings of fact, including eligibility to participate and eligibility for benefits, made by the Board (or any person or persons to whom the Employer has allocated authority to make such interpretations and findings of fact) are final and will not be subject to “de novo” review unless shown to be arbitrary and capricious.

14.3 Action of the Sponsor

Any act authorized, permitted, or required to be taken by the Sponsor under the Plan, which has not been delegated in accordance with Section 14.1, may be taken by a majority of the members of the committee appointed to act on behalf of the Sponsor, either by vote at a meeting, or in writing without a meeting or by the employee or employees of the Sponsor designated by the committee to carry out such acts on behalf of the Sponsor. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Sponsor under the Plan shall be in writing and signed by either (i) a majority of the members of the committee appointed to act on behalf of the Sponsor, or by such member or members as may be designated by an instrument in writing, signed by all the members thereof, as having authority to execute such documents on its behalf, or (ii) the employee or employees of the Sponsor who have the authority to act on behalf of the Sponsor.

14.4 Claims Review Procedures

The claims procedures established by the Employer shall apply whenever a claim for benefits under the Plan is filed by any person or whenever a person seeks a remedy under any provision of the Code or other applicable law in connection with any error regarding his or her benefit under the Plan and such claim is denied, in whole or in part.

14.5 Exhaustion of Remedies

No civil action for benefits under the Plan shall be brought unless and until the aggrieved person has:

(a) submitted a timely claim for benefits in accordance with the provisions of the Plan;

(b) been notified by the Administrator that the claim has been denied (or such claim is deemed denied);

(c) filed a written request for a review of the claim denial in accordance with the review procedures established by the Employer; and

(d) been notified in writing of an adverse benefit determination on review.

14.6 Grounds for Judicial Review

Any civil action by an aggrieved person shall be based solely on the contentions advanced by the aggrieved person in the administrative review process and the judicial review will be limited to the Plan document and the record developed during the administrative review process.

14.7 Domestic Relations Orders

The Administrator shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p)(11) and regulations issued thereunder.

14.8 Indemnification

In addition to whatever rights of indemnification the members of the committee appointed to act on behalf of the Sponsor or any employee or employees to whom any power, authority, or responsibility is delegated pursuant to Section 14.1, may be entitled under the organizational authority, regulations, or bylaws of the Sponsor, under any provision of law, or under any other agreement, the Sponsor shall satisfy any liability actually and reasonably incurred by any such person or persons, including expenses, attorneys' fees, judgments, fines, and amounts paid in settlement (other than amounts paid in settlement not approved by the Sponsor), in connection with any threatened, pending, or completed action, suit, or proceeding which is related to the exercise or failure to exercise by such person or persons of any of the powers, authority, responsibilities, or discretion as provided under the Plan and the Funding Agreement, or reasonably believed by such person or persons to be provided thereunder, and any action taken by such person or persons in connection therewith, unless the same is judicially determined to be the result of such person's or persons' gross negligence or willful misconduct.

14.9 Actions Binding

Any action taken by the Sponsor which is authorized, permitted, or required under the Plan shall be final and binding upon the Employer, the Funding Agent, all persons who have or who claim an interest under the Plan, and all third parties dealing with the Employer or the Funding Agent.

ARTICLE XV
ADOPTION BY OTHER ENTITIES

15.1 Adoption by Town Entities

Any entity of the Town of Easton that is not an Employer may, with the consent of the Sponsor, adopt the Plan and become an Employer hereunder by causing an appropriate written instrument evidencing such adoption to be executed in accordance with the requirements of its organizational authority. Any such instrument shall specify the effective date of the adoption. Unless otherwise specified in the adoption instrument, for purposes of computing the Service and Average Annual Earnings of an Employee who is in the employ of the Employer on the effective date of the adoption, employment with and compensation from the Employer before the effective date of the adoption shall be treated as employment with and Earnings from an Employer. For purposes of computing the Credited Service of such an Employee, only employment with the Employer for periods on or after the effective date of the adoption shall be treated as employment with an Employer. Any Employer shall undertake to contribute its appropriate share, as determined by the Sponsor, of any contributions made to the Funding Agent hereunder. Notwithstanding the foregoing, however, any adoption of the Plan by an Employer shall be subject to the receipt of a determination from the Internal Revenue Service to the effect that with respect to such Employer the Plan meets the requirements for qualification under Code Section 401(a), and, should an adverse determination be issued by the Internal Revenue Service, the adoption of the Plan by said Employer shall be null and void and of no effect whatsoever.

15.2 Effective Plan Provisions

An Employer who adopts the Plan shall be bound by the provisions of the Plan in effect at the time of the adoption and as subsequently in effect because of any amendment to the Plan.

ARTICLE XVI
AMENDMENT & TERMINATION OF PLAN

16.1 Sponsor's Right of Amendment

The Sponsor reserves the right at any time and from time to time, by means of a written instrument executed in the name of the Sponsor by its duly authorized representatives, to amend or modify the Plan and, to the extent provided therein, to amend or modify the Funding Agreement. No pension or other benefit granted prior to the time of any amendment or modification of the Plan shall be reduced, suspended, or discontinued as a result thereof, except to the extent necessary to enable the Plan to meet the requirements for qualification under the Code or the requirements of any governmental authority. Moreover, no such action shall operate to recapture for the Employer any contributions made to the Pension Fund, except as provided in Section 13.4 or Section 16.6.

16.2 Termination of the Plan

The Sponsor reserves the right, by means of a written instrument executed in the name of the Sponsor by its duly authorized representatives, at any time to terminate the Plan. In the event of termination, no further benefits shall accrue, no further contributions shall be made, and all assets remaining in the Pension Fund, after provision has been made for payment of the expenses of administration and liquidation in connection with the termination, shall be allocated by the Funding Agent upon the advice of the Actuary, among the Participants and Beneficiaries of the Plan, in the following manner and order of precedence:

(a) First to that portion of a Participant's or Beneficiary's Accrued Benefit that is derived from the Participant's Pick-Up Contributions.

(b) In the case of benefits payable as an annuity,

(1) in the case of the benefit of a Participant or Beneficiary which was in pay status as of the beginning of the 3-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least; and

(2) in the case of a Participant's or Beneficiary's benefit (other than a benefit described in subparagraph (1) of this paragraph) which would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of such 3-year period and if his or her benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

For purposes of subparagraph (1) of this paragraph, the lowest benefit in pay status during a 3-year period shall be considered the 3-year benefit in pay status for such period.

(c) Next,

(1) to Participants age 60 or over; and

(2) to Participants age 50 to 59; and

(3) to Participants age 45 to 54, inclusive; and

(4) to Participants under age 45.

Notwithstanding any other provision of the Plan to the contrary, other than Sections 16.3 through 16.5, the amount allocated to any Participant under this Section 16.2 shall be fully vested and nonforfeitable. The Sponsor shall furnish all information reasonably required for the purposes of making such allocations. The Funding Agent shall implement the allocations determined under this Section among the persons for whose benefit such allocations are made through distribution of the assets of the Pension Fund, through application of the amounts allocated to the purchase from an insurance company of immediate or deferred annuities, or through creation of one or more new funds for the purpose of distributing the assets of the Pension Fund (to the extent so allocated), or by a combination of the foregoing.

16.3 Adjustment of Allocation

The amount allocated under any paragraph of Section 16.2 with respect to any benefit shall be properly adjusted for any allocations of assets with respect to that benefit under a prior paragraph of Section 16.2.

16.4 Assets Insufficient for Allocation

If the assets available for allocation under any paragraph of Section 16.2 are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the date of termination of the Plan) of their respective benefits described in that paragraph.

16.5 Allocations Resulting in Discrimination

If the Secretary of the Treasury determines that the allocation made pursuant to this Article (without regard to this Section) results in discrimination prohibited by Code Section 401(a)(4), then the assets allocated under paragraphs (b) and (c) of Section 16.2 shall be reallocated to the extent necessary to prevent the disqualification of the Plan (or any trust or annuity contract under the Plan) under Code Section 401(a).

16.6 Residual Assets

Subject to the provisions of Section 16.8, any residual assets of the Plan shall be distributable to the Employer if:

(a) all liabilities of the Plan to Participants and their beneficiaries have been satisfied; and

(b) the distribution does not contravene any provision of law.

16.7 Payments by the Funding Agent

The Funding Agent shall make the payments specified in a written direction of the Sponsor in accordance with the provisions of Section 16.2 until the same shall be superseded by a further written direction. The obligation of the Funding Agent to make any payment hereunder in all events shall be limited to the amount of the Pension Fund at the time any such payment shall become due.

16.8 Residual Assets Distributable to the Employer

Upon written notice from the Sponsor that any residual assets of the Plan are distributable to the Employer in accordance with the provisions of Section 16.6, then the Funding Agent shall pay over such residual assets, or an amount equal to the fair market value of that portion of such residual assets which are not so paid, to the Employer; provided, however, that, under no circumstances or conditions other than as set forth in this Section 16.8 and in Section 13.4, shall any contribution of the Employer, or any portion of the proceeds or avails thereof, ever revert, be paid, or inure to the benefit, directly or indirectly, of the Employer or any Affiliated Company; nor shall any portion of the principal or the income from the Pension Fund ever be used for or diverted to any purpose other than for the exclusive benefit of Participants and persons claiming under or through them pursuant to the Plan.

16.9 Withdrawal of an Employer

Each Employer shall have the right to withdraw from the Plan by action in accordance with its organizational authority, and by filing with the Sponsor written notice thereof, in which event the Employer shall cease to be an Employer for purposes of the Plan. An Employer shall be deemed automatically to withdraw from the Plan in the event it completely discontinues contributions to the Plan.

If such withdrawal is for the purpose of establishing or merging with a separate plan which meets the requirements for qualification under applicable provisions of the Code, the portion of the assets of the Pension Fund which is applicable to the withdrawing Employer, as determined by the Sponsor upon the advice of the Actuary, on a fair and equitable basis, taking into account the contributions made by the Employer, benefit payments made with respect to its Employees and retired and former Employees, and other relevant factors, shall be transferred to and become a part of the trust fund or other financing medium maintained in connection with the separate plan, subject to the limitations on merger, consolidation, or transfers of Plan assets set forth in Section 17.5.

ARTICLE XVII
MISCELLANEOUS

17.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement on the part of any person to continue his or her employment with the Employer, or as a commitment on the part of the Employer to continue the employment, compensation, or benefits of any person for any period, and all employees of the Employer shall remain subject to discharge, layoff, or disciplinary action to the same extent as if the Plan had never been put into effect.

17.2 Claims of Other Persons

Nothing in the Plan or Funding Agreement shall be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right as against the Employer, their officers, employees, or directors, or as against the Funding Agent, except such rights as are specifically provided for in the Plan or Funding Agreement or hereafter created in accordance with the terms and provisions of the Plan.

17.3 Governing Law

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

17.4 Nonforfeitability of Benefits Upon Termination or Partial Termination

Notwithstanding any other provision of the Plan, in the event of the termination or a partial termination of the Plan, including the complete discontinuation of contributions to the Plan, the rights of all Employees who are affected by such termination to benefits accrued to the date of such termination, to the extent funded as of such date, shall be nonforfeitable.

17.5 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit the Participant would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

If another qualified plan merges or consolidates with the Plan, notwithstanding any other provision of the Plan to the contrary, the forms of payment and other provisions that were available with respect to benefits accrued immediately prior to the transfer or merger under such other qualified plan and that may not be eliminated under Code Section 411(d)(6) shall continue to be available under the Plan with respect to the benefit that the Participant would have received immediately prior to such merger, consolidation or transfer of assets or liabilities.

17.6 Funding Agreement

The Funding Agreement and the Pension Fund maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Funding Agreement are hereby incorporated by reference into the Plan.

17.7 Benefit Offsets for Overpayments

If payment is made from the Plan to any individual to whom no payment should have been made or the amount paid to an individual exceeds the amount to which such individual is entitled under the Plan, the Plan has an equitable lien on the erroneous payment or the overpayment. The Administrator may correct the erroneous payment or the overpayment using any one or a combination of the following methods:

(a) The Administrator may offset, set off, or obtain restitution of all or any part of future payments from the Plan to the individual until the erroneous payment or the overpayment is entirely recouped by the Plan.

(b) The Administrator may request the individual to repay to the Plan the amount of the erroneous payment or the overpayment and, if repayment is not made voluntarily, take any action deemed by the Administrator to be reasonable and necessary to compel repayment, including, but not limited to, instituting legal proceedings against the individual.

(c) If permitted by the Sponsor, the Administrator may take any reasonable action, to make the Plan whole as to any erroneous payment or overpayment.

17.8 Special Rules Applicable to Participants on Military Leave

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

If a Participant who is absent from employment as an Employee because of military service dies after December 31, 2006, while performing qualified military service (as defined in Code Section 414(u)), the Participant shall be treated as having returned to employment as an Employee on the day immediately preceding his or her death for purposes of determining the Participant's vested interest in his or her Accrued Benefit and his or her Beneficiary's eligibility for a survivor benefit under the Plan. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, such a Participant shall not be entitled to additional accruals with respect to his or her period of military leave.

A Participant whose death occurs after December 31, 2006, under the conditions described in the preceding paragraph shall also be treated as having returned to employment as an Employee on the day immediately preceding his or her death for purposes of determining eligibility for and the amount of any additional accruals under this Section for his or her period of military leave. For this purpose, the Participant shall be treated as having terminated employment on his or her date of death. If the Employer or any Affiliated Company maintains other retirement programs, all employees covered under such other plans who die under similar conditions must be credited with service and benefits on reasonably equivalent terms.

ARTICLE XVIII
CODE SECTION 401(a)(9) COMPLIANCE

18.1 Definitions

For purposes of this Article the following terms have the following meanings.

(a) "**Actuarial gain**" means the difference between an amount determined using the actuarial assumptions (i.e., investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the actuarial gain is determined.

(b) A Participant's "**designated beneficiary**" means the individual who is designated as the Participant's Beneficiary under the Plan and is the designated beneficiary under Code Section 401(a)(9) and Treasury Regulations Section 1.401(a)(9)-4.

(c) A "**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 under Section 18.6 or 18.19, as applicable.

(d) A Participant's or Beneficiary's "**life expectancy**" means his or her life expectancy as computed by use of the Single Life Table in Treasury Regulations Section 1.401(a)(9)-9, Q&A 1.

18.2 Applicability

This Article is included solely to comply with final and temporary regulations issued under Code Section 401(a)(9). The provisions of this Article are intended to comply with the required commencement and minimum distribution rules applicable under the Code. Nothing hereunder is intended to postpone payments required under the terms of the Plan other than this Article or to create a form of payment or death benefit that is not otherwise provided under the terms of the Plan other than this Article.

18.3 Precedence

Except as otherwise provided above, the requirements of this Article will take precedence over any inconsistent provisions of the Plan; provided, however, that nothing in this Article shall operate to create a form of payment or death benefit not otherwise provided under the terms of the Plan other than this Article.

18.4 Requirements of Treasury Regulations Incorporated

All distributions required under this Article will be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9), including the incidental death benefit requirements of Code Section 401(a)(9)(G).

18.5 Commencement as of Required Beginning Date

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

18.6 Death of Participant Before Distributions Begin

If a Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving Spouse is the Participant's sole "designated beneficiary", then, except as provided in Section 18.18, 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 72 (70 ½ for a Participant who reached that age before January 1, 2020), if later.

(b) If the Participant's surviving Spouse is not the Participant's sole "designated beneficiary", then, except as provided in Section 18.18, distributions to the "designated beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

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

(d) 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 18.6, other than Section 18.6(a), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 18.6 and Sections 18.13 through 18.15, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 18.1(d) applies, the date distributions are required to begin to the surviving Spouse under Section 18.6(a)). If annuity payments irrevocably commence to a 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 18.6(a)), the date distributions are considered to begin is the date distributions actually commence.

18.7 Form of Distribution

Unless a 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 Sections 18.8 through 18.16. If a 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.

18.8 General Annuity Requirements

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

(a) the annuity distributions will be paid in periodic payments made at intervals not longer than 1 year;

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 18.11 and 18.12 or Section 18.13, 18.14, or 18.15;

(c) 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;

(d) payments will either be nonincreasing or increase only as follows:

- (1) by an annual percentage increase that does not exceed the percentage increase in an eligible cost-of-living index (as described in paragraphs (b)(2), (3), or (4) of Treasury Regulations Section 1.401(a)(9)-6, Q&A-14) for a 12-month period ending in the year during which the increase occurs or a prior year;

- (2) by a percentage increase that occurs at specified times and does not exceed the cumulative total annual percentage increases in an eligible cost-of-living index (as described in paragraphs (b)(2), (3), or (4) of Treasury Regulations Section 1.401(a)(9)-6, Q&A-14) since the Annuity Starting Date or, if later, the date of the most recent percentage increase; provided that if a Participant's benefit is increased as provided herein, his or her benefit shall not be actuarially increased to reflect that increases were not provided in the interim years;

- (3) by a constant percentage of less than 5% per year, applied not less frequently than annually;

- (4) as a result of dividend or other payments that result from "actuarial gains", provided that:

  - (A) the "actuarial gain" is measured not less frequently than annually;

  - (B) the resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity, beginning no later than the year following the year for which the actuarial experience is measured;

(C) the "actuarial gain" taken into account is limited to "actuarial gain" from investment experience;

(D) the assumed interest rate used to calculate such "actuarial gain" is not less than 3%; and

(E) the annuity payments are not increased by a constant percentage as described in 18.8(d)(3) above;

(5) 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 Sections 18.11 and 18.12 dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p); or

(6) to provide a final payment upon the Participant's death not greater than the excess of the Actuarially Equivalent present value of the Participant's Accrued Benefit (within the meaning of Code Section 411(a)(7)) calculated as of the Annuity Starting Date using the "417(e) interest rate" and "applicable mortality table", as those terms are defined in Section 12.1, over the total payments before the Participant's death;

(7) to allow a Beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant's death; or

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

18.9 Amount Required to be Distributed by Required Beginning Date

The amount that must be distributed on or before a Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 18.6(a) or 18.6(b)) 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.

18.10 Additional Accruals After First Distribution Calendar Year

Any additional benefits accruing to a 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.

18.11 Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse

If a 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 Treasury Regulations Section 1.401(a)(9)-6, Q&A-2(c)(2), in the manner described in Treasury Regulations Section 1.401(a)(9)-6, Q&A2(c)(1). 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.

18.12 Period Certain Annuities

Unless the Participant's Spouse is the sole "designated beneficiary" and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulations Section 1.401(a)(9)-9, Q&A 2 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A 2 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's Spouse is the Participant's sole "designated beneficiary" and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section, 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 Treasury Regulations Section 1.401(a)(9)-9, Q&A 3, 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.

18.13 Participant Survived by Designated Beneficiary

Except as provided in Section 18.18, if a Participant dies before the date distribution of his or her interest begins and there is a "designated beneficiary", the Participant's entire interest will be distributed, beginning no later than the time described in Section 18.6(a) or 18.6(b), over the life of the "designated beneficiary" or over a period certain not exceeding:

(a) 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, reduced by 1 for each calendar year that has elapsed after the calendar year of the Participant's death; or

(b) 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.

18.14 No Designated Beneficiary

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

18.15 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin

If a Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole "designated beneficiary", and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 18.15 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 18.6(a).

18.16 Change to Annuity Payout Period

The period over which an annuity is to be paid out may not be changed except as follows:

(a) The annuity payout period may be changed in association with an increase in the annuity payment described in Section 18.8(d).

(b) The annuity payout period may be changed and payments modified if all of the following requirements are satisfied:

(1) any of the following applies:

(A) the modification occurs when the Participant retires or in connection with the Plan's termination; or

(B) the payment period prior to modification is a period certain without life contingencies; or

(C) annuity payments after the modification are paid under a qualified joint and survivor annuity, as defined in Code Section 417(b), the Participant's Spouse is the sole "designated beneficiary", and the modification occurs in connection with the Participant marrying such Spouse.

(2) future payments after the modification satisfy the requirements of Code Section 401(a)(9), regulations issued thereunder, and this Article, determined by treating the date of the change as a new Annuity Starting Date and the Actuarially

Equivalent present value of the remaining payments prior to modification as the entire interest of the Participant;

(3) the modification is treated as a new Annuity Starting Date for purposes of Code Sections 415 and 417;

(4) the annuity, including all past and future payments, satisfies the requirements of Code Section 415 determined as of the original Annuity Starting Date, using the interest rates and mortality tables in effect on such date, but taking into account the modification; and

(5) any period certain provided under the modified payment does not end later than the date a period certain would have been required to end under Code Section 401(a)(9) and this Article, determined as of the original Annuity Starting Date.

18.17 Payments to a Surviving Child

For purposes of this Article, payments made to a Participant's surviving child before the child reaches the age of majority (or dies, if earlier) shall be treated as if such payments were made to the Participant's surviving Spouse to the extent the payments become payable to the surviving Spouse upon cessation of payments to the child. For purposes of this Section, a child shall be treated as not having reached the age of majority if the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled shall be treated as not having reached the age of majority so long as the child continues to be disabled.

18.18 5-Year Rule Applicable to Certain Distributions to Designated Beneficiaries

If a Participant dies before distributions begin, there is a "designated beneficiary", and the benefit payable to such "designated beneficiary" is to be made in a lump sum pursuant to the cashout provisions of Section 11.5 of the Plan, distribution to the "designated beneficiary" is not required to begin by the date specified in Section 18.6, but the Participant's entire interest will be distributed to the "designated beneficiary" by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

18.19 Death of Participant After Distributions Begin

If a Participant dies after distributions begin, the Participant's remaining interest, if any, will be distributed at least as rapidly as under the form of distribution in effect on the date of the Participant's death.

* * *

EXECUTED AT __________________, _________, this ________ day of ____________________, ______.

TOWN OF EASTON, MARYLAND

By: _______________________________________

Title:

IMPORTANT NOTE

Prudential Retirement Insurance and Annuity Company, its contractors, and any employees of Prudential Retirement Insurance and Annuity Company or its contractors cannot provide you with legal advice in connection with the execution of this document. Prior to execution of this document, you should consult your attorney on whether this document is appropriate for you.

ADDENDUM
ADJUSTMENT FACTORS

Early Commencement Reduction Factors

Number of Years and Months from Annuity Starting Date
to Normal Retirement Date

Months:	0 Years	1 Year	2 Years	3 Years	4 Years	5 Years
0		94.0%	88.0%	82.0%	76.0%	70.0%
1	99.5%	93.5%	87.5%	81.5%	75.5%	69.1%
2	99.0%	93.0%	87.0%	81.0%	75.0%	69.4%
3	98.5%	92.5%	86.5%	80.5%	74.5%	69.7%
4	98.0%	92.0%	86.0%	80.0%	74.0%	68.8%
5	97.5%	91.5%	85.5%	79.5%	73.5%	68.5%
6	97.0%	91.0%	85.0%	79.0%	73.0%	68.2%
7	96.5%	90.5%	84.5%	78.5%	72.5%	67.9%
8	96.0%	90.0%	84.0%	78.0%	72.0%	67.6%
9	95.5%	89.5%	83.5%	77.5%	71.5%	67.3%
10	95.0%	89.0%	83.0%	77.0%	71.0%	67.0%
11	94.5%	88.5%	82.5%	76.5%	70.5%	66.7%

Number of Years and Months from Annuity Starting Date
to Normal Retirement Date

Months:	6 Years	7 Years	8 Years	9 Years	10 Years
0	66.4%	62.8%	59.2%	55.6%	52.0%
1	66.1%	62.5%	58.9%	55.3%	
2	65.8%	62.2%	58.6%	55.0%	
3	65.5%	61.9%	58.3%	54.7%	
4	65.2%	61.6%	58.0%	54.4%	
5	64.9%	61.3%	57.7%	54.1%	
6	64.6%	61.0%	57.4%	53.8%	
7	64.3%	60.7%	57.1%	53.5%	
8	64.0%	60.4%	56.8%	53.2%	
9	63.7%	60.1%	56.5%	52.9%	
10	63.4%	59.8%	56.2%	52.6%	
11	63.1%	59.5%	55.9%	52.3%	

Late Commencement Adjustment Factors

Number of Years and Months from Normal Retirement Date
to Annuity Starting Date

Months:	0 Years	1 Year	2 Years	3 Years	4 Years	5 Years
0		107.2%	115.6%	125.2%	136.0%	148.0%
1	100.6%	107.9%	116.4%	126.1%	137.0%	149.1%
2	101.2%	108.6%	117.2%	127.0%	138.0%	150.2%
3	101.8%	109.3%	118.0%	127.9%	139.0%	151.3%
4	102.4%	110.0%	118.8%	128.8%	140.0%	152.4%
5	103.0%	110.7%	119.6%	129.7%	141.0%	153.5%
6	103.6%	111.4%	120.4%	130.6%	142.0%	154.6%
7	104.2%	112.1%	121.2%	131.5%	143.0%	155.7%
8	104.8%	112.8%	122.0%	132.4%	144.0%	156.8%
9	105.4%	113.5%	122.8%	133.3%	145.0%	157.9%
10	106.0%	114.2%	123.6%	134.2%	146.0%	159.0%
11	106.6%	114.9%	124.4%	135.1%	147.0%	160.1%

Number of Years and Months from Normal Retirement Date
to Annuity Starting Date

Months:	6 Years	7 Years	8 Years	9 Years	10 Years
0	161.2%	175.6%	191.2%	208.0%	226.0%
1	162.4%	176.9%	192.6%	209.5%	
2	163.6%	178.2%	194.0%	211.0%	
3	164.8%	179.5%	195.4%	212.5%	
4	166.0%	180.8%	196.8%	214.0%	
5	167.2%	182.1%	198.2%	215.5%	
6	168.4%	183.4%	199.6%	217.0%	
7	169.6%	184.7%	201.0%	281.5%	
8	170.8%	186.0%	202.4%	220.0%	
9	172.0%	187.3%	203.8%	221.5%	
10	173.2%	188.6%	205.2%	223.0%	
11	174.4%	189.9%	206.6%	224.5%	

TOWN OF EASTON, MARYLAND
EMPLOYEES~~'~~' PENSION PLAN
August 1, ~~2013~~2021 Restatement

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~~1~~ ~~DB2-PLN~~

PREAMBLE

The Town of Easton, Maryland Employees~~'~~' Pension Plan~~,~~ was originally established effective as of August 1, 1973~~,~~. In addition to other amendments, the Plan was amended effective June 30, 2008, to freeze further benefit accruals under the Plan for Participants who are not Sworn Police Officers and effective July 1, 2017 to implement changes for Sworn Police Officers, including changing the Normal Retirement Date from 25 years of Service to 22 years of Service.

The Plan is hereby amended and restated in its entirety~~. The Plan, as amended~~ and ~~restated hereby,~~ is intended to qualify as a defined benefit pension plan under Code Section 401(a) and ~~is~~ a governmental plan under Code Section 414(d). The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

Except as otherwise specifically provided in the Plan, this amended and restated Plan shall be effective as of August 1, ~~2013~~2021, and the rights of any person who did not have an Hour of Service under the Plan on or after August 1, ~~2013~~2021, shall generally be determined in accordance with the terms of the Plan as in effect on the date for which he or she was last credited with an Hour of Service.

~~Notwithstanding the foregoing, the following special effective dates shall apply:~~

~~(a) The definition of "Earnings" in Section 1.1(u) is modified to include differential pay effective as of January 1, 2009.~~

~~(b) Section 11.6 is amended effective as of January 1, 2009 to provide for direct rollovers by non-spouse Beneficiaries.~~

~~(c) Section 17.8 is amended effective for Participants who die after December 31, 2006 while engaged in qualified military service to provide that they shall be treated as having returned to employment immediately prior to death for certain Plan purposes.~~

~~Effective March 1, 1995, the Plan was amended to provide separate benefits with respect to Sworn Police Officers who were required to make Pick-Up Contributions under the Plan. Sworn Police Officers who were Participants in the Plan on that date were given the opportunity to make a one-time election whether to participate in the separate benefit structure by making Pick-Up Contributions or to continue under the provisions of the Plan applicable to Participants who are not eligible to make Pick-Up Contributions. Sworn Police Officers hired on or after March 1, 1995 are required to make Pick-Up Contributions to the Plan as a condition of their employment. Pick-Up Contributions shall be withheld from Participants' Earnings and contributed to the Plan as Employer contributions pursuant to Code Section 414(h)(2). Pick-Up Contributions shall be excluded from the Participant's gross income for federal tax purposes until distributed to the Participant (or his Beneficiary) in accordance with the terms of the Plan.~~

ARTICLE I
DEFINITIONS

1.1 Plan Definitions

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth:

(a) A ~~Participant's "~~Participant's "**Accrued Benefit**~~"~~" as of any date means the portion of ~~his~~the Participant's monthly normal retirement benefit, payable in the normal form described in Section 9.1(a), accrued as of that date determined as provided in Article V, based on ~~his~~the Participant's years of Credited Service and ~~his~~ Average Annual Earnings determined as of that date.

Notwithstanding the foregoing, for a Participant other than a Sworn Police Officer, Credited Service for purposes of determining his or her Accrued Benefit shall be determined as of June 30, 2008 and shall not include periods of employment after that date.

(b) An ~~"~~"**Active Participant**~~"~~" means a Participant who is accruing Credited Service under the Plan in accordance with the provisions of Article III.

~~(c) A Participant's "**Accumulated Participant Contributions**" as of any date means the sum of the Participant's Accumulated Pick-Up Contributions, if any, and his Post-Tax Contributions, if any.~~

(c) ~~(d)~~ A ~~Participant's "~~Participant's "**Accumulated Pick-Up Contributions**~~"~~" as of any date means the total of the ~~Participant's~~Participant's Pick-Up Contributions (made for employment as a Division B Employee) plus interest. Interest on a ~~Participant's~~Participant's Pick-Up Contributions shall be credited annually to the date of determination at 5%, compounded each August 1.

~~(e) A Participant's "**Accumulated Post-Tax Contributions**" as of any date means the total of the Participant's Post-Tax Contributions plus interest. Interest on a Participant's Post-Tax Contributions shall be credited annually to the date of determination at 5%, compounded each August 1.~~

(d) ~~(f)~~ The ~~"~~"**Actuarial Equivalent**~~"~~" of a value means its equivalent value determined using the actuarial factors specified in the Plan. For purposes ~~other than determining the present value of a Participant's Accrued Benefit under the Plan for purposes of a single sum payment, Actuarial Equivalence is determined using the~~ of converting a Participant's retirement benefit from the normal single life annuity form described in Section 9.1(a), to another form of payment, the following factors will be used:

(1) To convert to a form of payment other than a single sum payment, Actuarial Equivalence is determined using the following factors:

(A) 1971 Group Annuity Mortality Table for male lives with a 1-year setback for Participants and a 5-year setback for Beneficiaries and ~~an interest rate of 6%. For purposes of determining the present value of a Participant's Accrued Benefit under the Plan for purposes of a single sum payment, the following factors shall be used:~~

(B) an interest rate of 6%.

(2) For purposes of converting to a single sum payment, Actuarial Equivalence is determined using the following factors:

(A) ~~(1)~~ the table prescribed in Revenue Ruling 2001-62; and

(B) ~~(2)~~ the annual rate of interest on 30-year Treasury securities for the second calendar month preceding the Plan Year in which the distribution is made.

The present value of a benefit with respect to a Participant who has or would have reached Normal Retirement Date at the time present value is being determined shall be calculated based on the immediate annuity payable as of the determination date. The present value of a benefit with respect to a Participant who has not yet or would not yet have reached Normal Retirement Date at the time present value is being determined shall be calculated based on a deferred annuity payable commencing at the ~~Participant's~~Participant's Normal Retirement Date. For purposes of this paragraph, present value of any single sum payment to a Participant shall be determined based on the present value of immediate and deferred annuities payable in the normal form applicable under Section 9.1(a) of the Plan.

(e) ~~(g)~~ The ~~"~~"**Actuary**~~"~~" means an independent actuary selected by the Sponsor, who is an enrolled actuary as defined in Code Section 7701(a)(35), or a firm or corporation of actuaries having such a person on its staff, which person, firm, or corporation is to serve as the actuarial consultant for the Plan.

(f) ~~(h)~~ The ~~"~~"**Administrator**~~"~~" means the Sponsor unless the Sponsor designates another person or persons to act as such. The Sponsor may designate different persons to act as its delegate in performing different functions of the Administrator.

(g) ~~(i)~~ An ~~"~~"**Affiliated Company**~~"~~" means any corporation or business, other than ~~an~~the Employer, which would be aggregated with ~~an~~the Employer for a relevant purpose under Code Section 414.

(h) ~~(j)~~ A ~~Participant's, or Beneficiary's~~Participant's, or Beneficiary's, if the Participant has died, ~~"~~"**Annuity Starting Date**~~"~~" means the first day of the first period for which an amount is paid as an annuity or, in the case of a single sum payment, the first day on which all events have occurred which entitle the Participant, or ~~his~~the Participant's Beneficiary, if applicable, to such benefit.

If a Participant whose Annuity Starting Date has occurred is reemployed by ~~an~~the Employer or an Affiliated Company resulting in a suspension of benefits in accordance with the provisions of Section 11.1, for purposes of determining the form of payment of such ~~Participant's~~Participant's benefit upon ~~his~~ subsequent retirement, such prior Annuity Starting Date shall apply to benefits accrued prior to the ~~Participant's~~Participant's reemployment. Such prior Annuity Starting Date shall apply to benefits accrued both before and after the ~~Participant's~~Participant's reemployment.

(i) ~~(k)~~ A ~~Participant's "~~Participant's "**Average Annual Earnings**~~"~~" means ~~his~~the Participant's highest average annual Earnings received for any 5 consecutive Earnings Computation Periods during the 10 consecutive Earnings Computation Periods immediately preceding the date the ~~Participant's~~Participant's employment terminates. Notwithstanding ~~the foregoing, for purposes of~~ any other provision of the Plan to the contrary, the following special rules apply in determining a ~~Participant's~~Participant's Average Annual Earnings~~, the following shall be disregarded~~:

(1) In determining Average Annual Earnings, Earnings for the following Earnings Computation Periods shall be disregarded:

(A) ~~(1)~~ the Earnings Computation Period in which the ~~Participant's~~Participant's employment as an Employee terminates, but only if disregarding that Earnings Computation Period would result in a higher average~~; provided, however, that~~. In determining whether such Earnings Computation Period should be disregarded, Earnings shall not be annualized ~~for such period~~.

(B) ~~(2)~~ any Earnings Computation Period in which the Participant performs services ~~for the Employers~~as an Employee for fewer than 6 months.

(2) ~~For purposes of determining a Participant's Average Annual Earnings, a Participant's~~A Participant's consecutive Earnings Computation Periods shall not be considered to ~~be~~have been interrupted ~~because of an~~if:

(A) the Participant's employment as an Employee terminates and the Participant is reemployed as an Employee, provided the Participant retains an Accrued Benefit under the Plan or his or her Accrued Benefit is restored to him or her upon reemployment.

(B) a Participant's Earnings Computation Period ~~that~~ is disregarded because ~~he~~the Participant performs services ~~for the Employers~~ for fewer than 6 months~~; provided, however, that such Earnings Computation Period shall not be included in determining the Participant's Average Annual Earnings~~, provided the Participant retains an Accrued Benefit under the Plan.

(3) If a Participant has exactly 5 or fewer than 5 consecutive Earnings Computation Periods, ~~his~~ Average Annual Earnings shall be determined by multiplying a fraction, the numerator of which is ~~his~~the Participant's total Earnings and the denominator of which is ~~his~~the Participant's total number of full calendar months of employment as an Employee, by 12.

(j) ~~(l)~~ A ~~Participant's "~~Participant's "**Beneficiary**~~"~~" means any beneficiary who is entitled to receive a benefit under the Plan upon the death of the Participant.

(k) ~~(m)~~ A ~~"~~"**Break in Service**~~"~~" with respect to any Employee means any 12-consecutive month period beginning on ~~his~~the Employee's Employment Severance Date and anniversaries of his or her Employment Severance Date in which ~~he~~the Employee does not complete an Hour of Service.

(l) ~~(n)~~ The ~~"~~"**Code**~~"~~" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a 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.

(m) ~~(o)~~ The ~~"~~"**Covered Compensation**~~"~~" of a Participant who is a Division A Employee, means the average, without indexing, of the taxable wage bases under Section 230 of the Social Security Act in effect for each calendar year during the 35-year period ending on the last day of the calendar year in which the employee attains (or will attain) Social Security retirement age, as determined under Code Section 415(b)(8). In determining a ~~Participant's~~Participant's Covered Compensation, the following shall apply:

(1) For calendar years within the 35-year period, the taxable wage base in effect for future calendar years shall be assumed to be the same as the taxable wage base in

effect as of the beginning of the Plan Year in which the determination is being made.

(2) For calendar years after the 35-year period ends, a ~~Participant's~~Participant’s Covered Compensation means his or her Covered Compensation for the Plan Year in which the 35-year period ends.

(3) For calendar years before the 35-year period begins, a ~~Participant's~~Participant’s Covered Compensation means the taxable wage base in effect as of the beginning of the Plan Year in which the determination is being made.

A ~~Participant's~~Participant’s Covered Compensation shall be adjusted each Plan Year.

A ~~Participant's~~Participant’s Covered Compensation for purposes of calculating his or her retirement benefit under the Plan shall be his or her Covered Compensation determined as of the date ~~his~~the Participant’s retirement benefit is being calculated or, if earlier, as of the date the Participant ceased to accrue benefits under the Plan.

(n) ~~(p)~~ A ~~Participant's "~~Participant’s “**Credited Service**~~"~~” means ~~his~~the Participant’s period of service for purposes of determining the amount of any benefit for which he or she is eligible under the Plan, as computed in accordance with the provisions of Article III.

For a Participant other than a Sworn Police Officer, Credited Service shall be determined as of June 30, 2008 and shall not include periods of employment after that date.

(o) ~~(q)~~ A ~~"~~“**Disabled Participant**~~"~~” means a Participant who becomes disabled and who is either (1) eligible for or receiving disability benefits under an Employer funded program or (2) receiving remuneration under a salary continuation agreement.

(p) ~~(r) "~~“**Division A**~~"~~” means the following groups of Employees:

(1) Communication Police Officers;

(2) Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected not to be covered by the Pick-Up Contribution provisions on and after March 1, 1995;

(3) Town Workers; and

(4) Utility Workers.

(q) ~~(s) "~~“**Division B**~~"~~” means the following groups of Employees:

(1) Sworn Police Officers who were Participants in the Plan prior to March 1, 1995, and who elected to make Pick-Up Contributions to the Plan; and

(2) Sworn Police Officers whose date of employment is on or after March 1, 1995.

(r) ~~(t)~~ A ~~"~~“**Division Schedule**~~"~~” means the schedule attached to the Plan in the Addendum which sets forth the specific provisions and definitions applicable to Participants in such Divisions, as amended and modified from time to time.

(s) ~~(u)~~ The ~~"~~“**Earnings**~~"~~” of a Participant for any Earnings Computation Period means the wages as defined in Code Section 3401(a), determined without regard to any rules that limit compensation included in wages based on the nature or location of the employment or services performed, and all other payments made to ~~him~~the Participant for such Earnings Computation Period for services as an Employee for which ~~his~~the Employer is required to furnish the Participant a written statement under Code Sections 6041(d) and 6051(a)(3) (commonly referred to as W-2 earnings).

If a Participant is absent from employment as an Employee to perform service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code), ~~his~~the Participant’s Earnings will include any differential pay, as defined hereunder, ~~he~~the Participant receives or is entitled to receive from ~~his~~the Employer. For purposes of this paragraph, ~~"~~“differential pay~~"~~” means any payment made to the Participant by the Employer with respect to a period during which the Participant is performing service in the uniformed services while on active duty for a period of more than 30 days that represents all or a portion of the wages the Participant would have received if he or she had continued employment with the Employer as an Employee.

In addition to the foregoing, Earnings include any amount that would have been included in the foregoing description, but for the ~~Participant's~~Participant’s election to defer payment of such amount under Code Section 125, 402(e)(3), 402(h)(1)(B), 403(b), or 457(b) and certain contributions described in Code Section 414(h)(2) that are picked up by the employing unit and treated as employer contributions. Effective for Plan Years beginning on and after January 1, 2001, Earnings shall also include any amount that is not included in the ~~Participant's~~Participant’s taxable gross income pursuant to Code Section 132(f).

In no event, however, shall the Earnings of an Employee who became a Participant in the Plan after the last day of the 1995 Plan Year exceed the Code Section 401(a)(17) limit in effect for such Earnings Computation Period ($~~255,000~~290,000 for the ~~2013~~2021 Earnings Computation Period, subject to adjustment annually as provided in Code Section 401(a)(17)(B) and Code Section 415(d)); provided, however, that in determining benefits for such a Participant who is credited with an Hour of Service on or after August 1, 2002, Earnings for Earnings Computation Periods beginning before January 1, 2002 shall be limited to $200,000.

(t) ~~(v)~~ An ~~"~~“**Earnings Computation Period**~~"~~” means each calendar year.

(u) ~~(w)~~ An ~~"~~“**Employee**~~"~~” means any employee of ~~an~~the Employer whose customary employment is for more than 20 hours per week and 5 months per calendar year.

Notwithstanding the foregoing, the term ~~"~~“Employee~~"~~” shall not include the following:

(1) any individual with respect to whom ~~an~~the Employer does not withhold income or employment taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service, even if such individual is later adjudicated to be a common law employee of ~~his~~the Employer, unless and until the Employer extends coverage to such individual.

(2) any ~~"~~“leased employee~~"~~”, as defined below.

(3) any employee who is not a Sworn Police Officer and who is first hired by the Employer on or after July 1, 2008.

Any employee who was a Participant in the Plan prior to July 1, 2008, who is rehired on or after July 1, 2008, in a position other than as a Sworn Police Officer, and who retains an Accrued Benefit under the Plan, shall be treated as an Employee solely for the following purposes:

(4) earning additional Service under the Plan (for purposes of vesting and early retirement eligibility); and

(5) accruing additional Earnings for purposes of determining the amount of his or her Accrued Benefit under the Plan upon his or her subsequent retirement or termination of employment.

A ~~"~~“leased employee~~"~~” means any person (other than an ~~"~~“excludable leased employee~~"~~”) who performs services for the Employer or an Affiliated Company (the ~~"~~“recipient~~"~~”) (other than an employee of the ~~"~~“recipient~~"~~”) pursuant to an agreement between the ~~"~~“recipient~~"~~” and any other person (the ~~"~~“leasing organization~~"~~”) on a substantially full-time basis for a period of at least 1 year, provided that such services are performed under primary direction of or control by the recipient. An ~~"~~“excludable leased employee~~"~~” means any person who would otherwise qualify as a leased employee of the recipient who (a) is covered by a money purchase pension plan maintained by the leasing organization which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least 10% of compensation (as defined in Treasury Regulations Section 1.415(c)-2(d)(4)), (ii) full and immediate vesting, and (iii) immediate participation by employees of the leasing organization, or (b) performs substantially all of his or her services for the leasing organization, or (c) whose compensation from the leasing organization in each plan year during the 4-year period ending with the plan year is less than $1,000. Notwithstanding the foregoing, leased employees of the recipient shall only be considered excludable leased employees if leased employees do not constitute more than 20% of the ~~recipient's~~recipient's nonhighly compensated work force. For purposes of this Section, contributions or benefits provided to a leased employee by the leasing organization that are attributable to services performed for the recipient shall be treated as provided by the recipient.

(v) ~~(x)~~ A Division B ~~Participant's "~~Participant's "**Employee Derived Benefit**~~"~~" as of any date means an amount equal to the ~~Participant's~~Participant's Accumulated Pick-Up Contributions expressed as a monthly benefit commencing at Normal Retirement Date determined using the conversion factor provided by the Secretary of the Treasury.

(w) ~~(y) An "~~The "**Employer**~~"~~" means the Sponsor and any entity of the Town of Easton which has adopted the Plan as may be provided under Article XV, including The Easton Utilities Commission.

(x) ~~(z)~~ A ~~Participant's "~~Participant's "**Employer Derived Benefit**~~"~~" as of any date means the excess, if any, of ~~his~~the Participant's Accrued Benefit as of such date over ~~his~~the Participant's Employee Derived Benefit as of such date.

(y) ~~(aa)~~ An ~~Employee's "~~Employee's "**Employment Commencement Date**~~"~~" means the date he or she first completes an Hour of Service or, in the case of an Employee who has incurred an Employment Severance Date, the first date following ~~his~~such Employment Severance Date on which he or she again completes an Hour of Service.

(z) ~~(bb)~~ An ~~Employee's "~~Employee's "**Employment Severance Date**~~"~~" means the earlier of (a) the date on which ~~he~~the Employee retires, dies, or his or her employment as an Employee is otherwise terminated or (b) the first anniversary of the date on which ~~he~~the Employee is absent from work with ~~all Employers~~the Employer as an Employee for any other reason; provided, however, that the following special rules shall apply:

(1) An ~~Employee's~~Employee's Employment Severance Date shall not occur if ~~he~~the Employee is absent from work with ~~his~~the Employer on account of service with the armed forces of the United States, ~~he~~the Employee is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and ~~he~~the Employee returns to work with ~~an~~the Employer within the period during which ~~he~~the Employee retains such reemployment rights, but, if ~~he~~the Employee does not return to work within such

period, the his or her Employment Severance Date shall be the earlier of the date which is ~~1~~one year after his or her absence commenced or the last day of the period during which he or she retains such reemployment rights.

(2) An ~~Employee's~~Employee's Employment Severance Date shall not occur if ~~he~~the Employee is on an approved leave of absence of no more than two years from which ~~he~~the Employee returns promptly to employment with ~~an~~the Employer.

(3) An ~~Employee's~~Employee's Employment Severance Date shall not occur if ~~he~~the Employee is absent from work while a Disabled Participant, provided that if ~~he~~the Employee ceases to be a Disabled Participant prior to ~~his~~ Normal Retirement Date, ~~he~~the Employee returns promptly to work with ~~an~~the Employer.

(4) If an Employee is absent from work with ~~his~~the Employer on account of the birth of a child, pregnancy, the adoption of a child, or the caring for a child for a period beginning following the birth or adoption of such child (a ~~"~~"maternity/paternity absence~~"~~"), beyond the first anniversary of the first day of such maternity/paternity absence, his or her Employment Severance Date shall be the second anniversary of the first day of such maternity/paternity absence.

Notwithstanding the foregoing, if a person retires, dies, or his or her employment as an Employee is otherwise terminated during a period in which he or she is absent from work with ~~all Employers~~the Employer for any reason other than service with the armed forces of the United States, his or her Employment Severance Date shall be the date of such retirement, death, or other termination of employment.

(aa) ~~(cc)~~ An ~~"~~"**Entry Date**~~"~~" means each day of the Plan Year.

(bb) ~~(dd)~~ The ~~"~~"**Funding Agent**~~"~~" means the person or persons which at the time shall be designated, qualified, and acting under the Funding Agreement and shall include (i) any trustee for a trust established pursuant to the Funding Agreement, (ii) any insurance company that issues an annuity or insurance contract pursuant to the Funding Agreement, or (iii) any person holding assets in a custodial account pursuant to the Funding Agreement. The Sponsor may designate a person or persons other than the Funding Agent to perform any responsibilities of the Funding Agent under the Plan, and the Funding Agent shall not be liable for the performance of such person in carrying out such responsibilities. The term Funding Agent shall include any delegate of the Funding Agent as may be provided in the Funding Agreement.

(cc) ~~(ee)~~ The ~~"~~"**Funding Agreement**~~"~~" means the agreement entered into between the Sponsor and the Funding Agent relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a trust, a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets; provided, however, that any custodial account or contract established hereunder meets the requirements of Code Section 401(f).

(dd) ~~(ff)~~ An ~~"~~“**Hour of Service**~~"~~” with respect to any Employee means an hour which is determined and credited as such in accordance with the provisions of Article II.

(ee) ~~(gg)~~ A ~~Participant's "~~Participant’s “**Normal Retirement Date**~~" means,~~” for purposes of benefit eligibility~~, the term as defined in the appropriate Division Schedule, attached in the Addendum to the Plan.~~ means the following, as applicable:

(1) Division A Participants:

(A) with respect to an Employee who became a Participant prior to August 1, 1988, the date the Participant attains age 60; and

(B) with respect to an Employee who became a Participant on or after August 1, 1988, the later of (i) the date on which the Participant attains age 60 or (ii) the fifth anniversary of his or her “participation commencement date”. A Participant’s “participation commencement date” means the first day of the Plan Year in which he or she first commences participation in the Plan.

(2) Division B Participants: Effective July 1, 2017, the day on which the Participant’s hypothetical years of Service equal 22.

Commented [DA1]: Change to NRD made by 2nd amendment to the 2013 Plan effective July 1, 2017.

For all other purposes, a ~~Participant's "~~Participant’s “Normal Retirement Date~~"~~” means the first day of the month coinciding with or next following ~~such~~the day determined under (1) or (2) above, as applicable.

(ff) ~~(hh)~~ A ~~"~~“**Participant**~~"~~” means any person who becomes eligible to participate in the Plan in accordance with the provisions of Article IV and who retains an Accrued Benefit under the Plan.

(gg) ~~(ii)~~ A Division B ~~Participant's "~~Participant’s “**Pick-Up Contributions**~~"~~” mean the contributions required to be withheld from ~~his~~ Earnings on and after March 1, 1995 and contributed on his or her behalf to the Plan as Employer contributions pursuant to Code Section 414(h)(2). Pick-Up Contributions shall not be included in a ~~Participant's~~Participant’s taxable income for the year in which they are contributed to the Plan, but shall only be taxable when they are distributed to the Participant in accordance with the provisions of the Plan.

~~(jj) A Participant's "**Post-Tax Contributions**" mean the after-tax contributions made by the Participant to the Plan prior to July 31, 1973, if any, as shown in Table I attached to the Plan.~~

(hh) ~~(kk)~~ The ~~"~~"**Plan**~~"~~" means this Town of Easton, Maryland Employees~~'~~' Pension Plan, established effective August 1, 1973, as amended and restated by this instrument, with all amendments, modifications, and supplements hereafter made.

(ii) ~~(ll)~~ A ~~"~~"**Plan Year**~~"~~" means the 12-consecutive-month period ending each July 31.

(jj) ~~(mm)~~ A ~~"~~"**Qualified Joint and Survivor Annuity**~~"~~" is an immediate annuity payable to the Participant for ~~his~~ life with a survivor benefit payable upon the death of the Participant to the ~~Participant's~~Participant's Spouse (determined as of ~~his~~the Annuity Starting Date) for the remainder of such ~~Spouse's~~Spouse's lifetime. The amount of the survivor benefit payable under a Qualified Joint and Survivor Annuity shall be equal to at least 50% of the amount the Participant was receiving on his or her date of death.

(kk) ~~(nn)~~ A ~~"~~"**Qualified Preretirement Survivor Annuity**~~"~~" is an annuity payable to the surviving Spouse of a Participant for such ~~Spouse's~~Spouse's life as provided in Article X.

(ll) ~~(oo)~~ A ~~Participant's "~~Participant's "**Required Beginning Date**~~"~~" means the April 1 following the calendar year in which occurs the later of (i) the ~~Participant's~~Participant's attainment of age ~~70 1/2~~72 (70 ½ for a Participant who reached that age before January 1, 2020) or (ii) the date the Participant retires.

(mm) ~~(pp)~~ A ~~Participant's "~~Participant's "**Service**~~"~~" means ~~his~~the Participant's period of service for purposes of determining his or her eligibility for a benefit under the Plan, as computed in accordance with the provisions of Article III.

(nn) The "**Social Security Amount**" means the yearly Primary Insurance Amount for which a Division A Participant is determined to be eligible at age 62 under the Social Security Act as in effect on his or her Normal Retirement Date or the date Credited Service ceases, if earlier. If a Division A Participant provides the Administrator with a statement from the Social Security Administration of his or her wages used to determine the Primary Insurance Amount, the Division A Participant's actual earnings shall be used to determine his or her Social Security Amount. If the Division A Participant does not provide such a statement, his or her Social Security Amount shall be estimated based on the following:

(1) For years prior to the first calendar year in which the Division A Participant receives Earnings for the full calendar year, the Administrator will estimate earnings for the Division A Participant starting at age 18 using a ratio of each year's National Average Earnings to the National Average Earnings for the first calendar year in which the Division A Participant received earnings from the Employer for the full period;

(2) For calendar years beginning with the first calendar year in which the Division A Participant receives earnings from the Employer for the full calendar year and

ending with the last calendar year in which the Division A Participant receives earnings for the full calendar year, the Administrator will use actual earnings as shown on the records of the Employer; and

(3) For calendar years following the last calendar year in which the Division A Participant receives earnings from the Employer for the full calendar year and prior to the Division A Participant's attainment of age 62, the Administrator will estimate earnings assuming the Division A Participant's earnings remain the same as his or her earnings for the last Earnings Computation Period in which the Division A Participant receives earnings from the Employer for the full calendar year.

(oo) ~~(qq)~~ The ~~"~~"**Sponsor**~~"~~" means the Town of Easton, Maryland, and any successor thereto.

(pp) ~~(rr)~~ A ~~Participant's "~~Participant's "**Spouse**~~"~~" means the person to whom the Participant is legally married ~~in accordance with~~under the laws of the ~~State of Maryland; provided, however, that as described in the affected Sections of the Plan, for certain purposes a Participant's Spouse must also qualify as a spouse under Federal law.~~state or country in which the marriage was celebrated, without regard to whether such marriage is recognized under the laws of the state or country in which the Participant resides.

Commented [DA2]: Changes made pursuant to first amendment modifying the plan for compliance with Windsor and Obergefell court decisions.

1.2 Construction

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

ARTICLE II
HOURS OF SERVICE

2.1 Crediting of Hours of Service

An Employee shall be credited with an Hour of Service under the Plan for each hour for which he or she is paid, or entitled to payment, for the performance of duties for ~~an~~the Employer as an Employee.

ARTICLE III
SERVICE & CREDITED SERVICE

3.1 Service and Credited Service Prior to August 1, 1999

Each person who is an Employee on or after August 1, 1999, shall be credited with Service and Credited Service for purposes of the Plan for periods prior to such date equal to the Service and Credited Service with which ~~he~~the Employee had been credited in accordance with the Plan provisions in effect immediately prior to such date.

3.2 Service and Credited Service On or After August 1, 1999

Each person who is an Employee on or after August 1, 1999, shall be credited with Service and Credited Service with respect to periods of employment on or after such date, for purposes of the Plan as follows:

(a) ~~He~~The Employee shall be credited with Service for the period beginning on the later to occur of (i) August 1, 1999 or (ii) his or her Employment Commencement Date and ending on his or her Employment Severance Date. Service shall be computed in completed whole years; provided, however, that for purposes of aggregating Service before and after a Break in Service, fractional years shall be credited in 1/12ths treating each calendar month in this ~~he~~the Employee is credited with Service as 1/12th year of Service, even if ~~he~~the Employee is only credited with Service for a portion of such calendar month.

(b) In addition, Service, but not Credited Service, shall be credited for his or her period of absence from work after his or her Employment Severance Date if he or she returns to work with ~~an~~the Employer as an Employee within 12 months of his or her most recent date of absence from employment for any reason.

(c) Subject to any limitations set forth in Article V, ~~he~~the Employee shall be credited with Credited Service for the period beginning on the later to occur of (i) August 1, 1999 or (ii) ~~his~~the Employee's Employment Commencement Date and ending on ~~his~~the Employee's Employment Severance Date. Credited Service shall be computed in completed whole years and full months.

Notwithstanding the foregoing, no Credited Service shall be credited to an Employee for the following periods:

(1) periods for which ~~he~~the Employee is on an approved leave of absence beyond the first anniversary of the date ~~he~~the Employee is first absent from work as an Employee.

(2) periods that ~~he~~the Employee is absent from work while a Disabled Participant beyond the first anniversary of the date ~~he~~the Employee is first absent from work as an Employee.

(3) for Employees other than Sworn Police Officers, periods after June 30, 2008.

3.3 Transfers

Notwithstanding the foregoing, Service and Credited Service credited to a person shall be subject to the following:

(a) Any person who transfers or retransfers to employment with ~~an~~the Employer as an Employee directly from other employment (i) with ~~an~~the Employer in a capacity other than as an Employee or (ii) with any other Affiliated Company, shall be credited with Service, but not Credited Service, for such other employment as if such other employment were employment with ~~an~~the Employer as an Employee.

(b) Any person who transfers from employment with ~~an~~the Employer as an Employee directly to other employment (i) with ~~an~~the Employer in a capacity other than as an Employee or (ii) with any other Affiliated Company, shall be deemed by such transfer not to lose his or her Service or Credited Service, and shall be deemed not to retire or otherwise terminate his or her employment as an Employee until such time as he or she is no longer in the employment of ~~an~~the Employer or any other Affiliated Company, at which time he or she shall become entitled to benefits if he or she is otherwise eligible therefore under the provisions of the Plan; provided, however, that up to such time he or she shall receive credit only for Service, but not for Credited Service, for such other employment as if such other employment were employment with ~~an~~the Employer as an Employee.

3.4 Retirement or Termination and Reemployment

If an Employee retires or otherwise terminates employment with the ~~Employers~~Employer and all Affiliated Companies, ~~his~~the Employee's eligibility for and the amount of any benefit to which ~~he~~the Employee may be entitled under the Plan shall be determined based upon the Service and Credited Service with which ~~he~~the Employee is credited at the time of such retirement or other termination of employment. If such retired or former Employee is reemployed by ~~an~~the Employer or any Affiliated Company, the Service and Credited Service with which ~~he~~the Employee was credited at the time of such prior retirement or other termination of employment shall be aggregated with the Service and Credited Service with which ~~he~~the Employee is credited following ~~his~~ reemployment for purposes of determining his or her eligibility for and the amount of any benefit to which ~~he~~the Employee may be entitled under the Plan upon his or her subsequent retirement or other termination of employment if:

(a) ~~he~~the Employee was eligible for any retirement benefit at the time of his or her previous retirement or other termination of employment; provided, however, that if the ~~Participant~~Employee received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.5 because of such retirement or termination of employment, his or her prior Service and Credited Service shall be lost and shall not be reinstated unless ~~he~~the Employee meets the requirements of the following Section; or

(b) ~~he~~the Employee terminated ~~his~~ employment before satisfying the conditions of eligibility for any retirement benefit under the Plan and either (i) the aggregate number of his or her years of Service (not including any years of Service not required to be aggregated because of previous Breaks in Service) is greater than the number of his or her consecutive Breaks in Service or (ii) the number of his or her consecutive Breaks in Service is less than 5.

Notwithstanding any other provision of this Section, if a retired or former Employee returns to employment in a capacity other than as an Employee, his or her period of employment shall be treated for the purposes of the Plan solely in accordance with the transfer provisions of this Article III.

3.5 Repayment of Distributed Benefits

If a former Participant who is not 100% vested and who received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.4 because of his or her prior retirement or termination of employment is reemployed by ~~an~~the Employer or an Affiliated Company, the Credited Service with which he or she was credited at the time of his or her prior retirement or other termination of employment shall be reinstated and aggregated with the Credited Service credited to ~~him~~the Participant following ~~his~~ reemployment only if the Participant meets the requirements of this Section. Payment of the present value of a ~~Participant's~~Participant's vested Accrued Benefit is deemed to be made because of his or her prior retirement or termination of employment if it is made before the end of the second Plan Year following the Plan Year in which such retirement or termination occurred. Such Participant must:

(a) be reemployed by ~~an~~the Employer or an Affiliated Company prior to incurring 5-consecutive Breaks in Service following the date of the single sum payment;

(b) resume employment covered under the Plan; and

(c) repay to the Plan the full amount of the distribution with interest before the earlier of (i) the date ~~he~~the Participant incurs 5-consecutive Breaks in Service following the date of the single sum payment or (ii) the date which is 5 years after his or her reemployment date. For purposes of this paragraph, interest shall accrue annually, beginning on the date of the single sum payment, at the rate provided in Code Section 411(c)(2)(C), as in effect on the date of repayment.

If a former Participant who is 100% vested and who received a single sum payment of the present value of his or her vested Accrued Benefit as provided in Section 11.5 because of his or her prior retirement or termination of employment is reemployed by ~~an~~the Employer or an Affiliated Company, the Credited Service with which he or she was credited at the time of his or her prior retirement or other termination of employment shall not be reinstated.

3.6 Finality of Determinations

All determinations with respect to the crediting of Service and Credited Service under the Plan shall be made on the basis of the records of the ~~Employers~~Employer, and all determinations so made shall be final and conclusive upon Employees, former Employees, and all other persons claiming a benefit interest under the Plan. Notwithstanding anything to the contrary contained in this Article, there shall be no duplication of Service and Credited Service.

ARTICLE IV
ELIGIBILITY FOR PARTICIPATION

4.1 Participation

Participation with respect to employees other than Sworn Police Officers was frozen effective June 30, 2008. No person other than a Sworn Police Officer who was not an Active Participant on that date shall become an Active Participant hereunder.

Each Employee who was an Active Participant immediately prior to August 1, ~~2013~~2021, shall continue as an Active Participant hereunder. Each other person who is a Sworn Police Officer shall become an Active Participant as of the Entry Date coinciding with or immediately following the date on which ~~he~~the Sworn Police Officer becomes an Employee.

4.2 Pick-Up Contributions

Each Employee in Division B shall be required to have Pick-Up Contributions withheld from his or her Earnings as a condition of ~~his~~ employment. ~~The~~ Effective July 1, 2017, the amount of a Division B ~~Employee's~~Employee's Pick-Up Contributions shall be based on ~~his~~the Employee's years of Service as follows:

Years of Service	Percentage of Earnings
~~fewer~~Fewer than ~~26~~22	~~5.7~~7.2%
~~26~~22 or more	~~6.7~~8.2%

Pick-Up Contributions shall be treated as Employer contributions pursuant to Code Section 414(h)(2). The amount of such Pick-Up Contributions shall not be taxable to the Participant for the tax year in which it is contributed, but shall be taxable when it is distributed to the Participant in accordance with the terms of the Plan. No further Pick-Up Contributions shall be made to the Plan on a ~~Participant's~~Participant's behalf on or after the earliest of (1) the ~~Participant's~~Participant's Employment Severance Date, (2) the date the Participant ceases to be an Employee, or (3) the ~~Participant's Normal Retirement Date, or (4) the date he~~date the Participant has completed 30 years of Service.

4.3 Termination of Participation

A Participant who is a Sworn Police Officer shall remain an Active Participant as long as he or she continues in employment as an Employee. A person shall remain a Participant as long as he or she retains an Accrued Benefit under the Plan.

Commented [DA3]: Changes in the amount of Pick-Up Contributions were made by the 2nd amendment to the 2013 Plan, effective July 1, 2017.

Commented [DA4]: Change made by the 2nd amendment to the 2013 Plan.

4.4 Participation Upon Reemployment

If a former Employee who is a Sworn Police Officer is reemployed as an Employee, he or she shall again become an Active Participant hereunder when ~~he~~the Employee performs an Hour of Service. A former Employee other than a Sworn Police Officer who is reemployed by ~~an~~the Employer shall not again become an Active Participant under the Plan. However, he or she shall continue to earn Service under the Plan for purposes of vesting and early retirement eligibility and shall be credited with Earnings for employment as an Employee following reemployment.

4.5 Finality of Determinations

All determinations with respect to the eligibility of an Employee to become a Participant under the Plan shall be made on the basis of the records of the ~~Employers~~Employer, and all determinations so made shall be final and conclusive for all Plan purposes. Each Employee who becomes a Participant shall be entitled to the benefits, and be bound by all the terms, provisions, and conditions of the Plan and the Funding Agreement.

ARTICLE V
NORMAL RETIREMENT

5.1 Eligibility

Each Participant who retires from employment with ~~his~~the Employer and all Affiliated Companies on or after ~~his~~ Normal Retirement Date shall be eligible for a normal retirement benefit.

5.2 Amount of Normal Retirement Benefit

An eligible ~~Participant's~~Participant's monthly normal retirement benefit shall be ~~equal to~~ the amount determined ~~in the~~(a) or (b) below, as applicable ~~Division Schedule contained in the Addendum to the Plan~~.

(a) Division A Participants: Effective December 2, 1996, but with respect only to Division A Participants who retire or otherwise terminate employment on or after that date, an eligible Division A Participant's monthly normal retirement benefit shall be equal to 1/12th of the amount in (1) below, plus the amount in (2) and (3), if applicable:

(1) 1.4% of the Participant's Average Annual Earnings multiplied by the number of his or her years of Credited Service (up to a maximum of 25 years) plus .45% of his or her Average Annual Earnings in excess of Covered Compensation multiplied by the number of his or her years of Credited Service (up to a maximum of 25 years).

In determining the amount payable under this paragraph (a) with respect to a Participant other than a Sworn Police Officer, only Credited Service earned prior to July 1, 2008 shall be taken into account.

(2) A Participant who retires from active employment under the early retirement provisions of the Plan or on or after Normal Retirement Date but before the Participant attains age 62 will be eligible for a Special Supplementary Benefit beginning on his or her Normal Retirement Date and continuing until he or she attains age 62. The yearly amount of such Special Supplementary Benefit will be equal to his or her Social Security Amount.

In no event will a Participant's monthly normal retirement benefit determined under this Section 5.2(a) be less than the greater of:

(3) the Participant's Accrued Benefit as of December 1, 1996, determined in accordance with the terms of the Plan as in effect on December 1, 1996; or

(4) the Participant's Accrued Benefit as of June 30, 2008, determined in accordance with the terms of the Plan as in effect on June 30, 2008.

(b) Division B Participants: Effective July 1, 2017, but with respect only to Participants who retire, die, or otherwise terminate their employment on or after that date, the monthly normal retirement benefit payable to a Division B Participant who retires on or after Normal Retirement Date is equal to the greater of the amount determined in (1) below or the minimum retirement benefit described in Section 5.3 plus the amount in (2), if applicable.

(1) 50% of the Participant's Average Annual Earnings multiplied by the ratio that the Participant's full and fractional years of Credited Service up to a maximum of 22 years bears to 22.

Provided, however, that the 50% will be increased by 1.66% (with a maximum of 55%) for each year of Credited Service in excess of 22 years with a total maximum of 25 years of Credited Service.

(2) Provided that the Special Supplementary Benefit will not be applicable to Division B Participants.

In no event will a reduction in Average Annual Earnings cause the retirement income determined for a Participant on his or her Normal Retirement Date to be less than the highest amount of retirement income the Participant would have received on the same form of payment had the Participant's service ceased at any time prior to Normal Retirement Date when the Participant was eligible to receive an immediate retirement income.

Commented [DA5]: Changes to the benefit formula were made by the 2nd amendment to the 2013 Plan effective July 1, 2017.

5.3 Minimum Benefit for Division B Participants

Notwithstanding any other provision of the Plan to the contrary, in no event will the monthly normal retirement benefit payable to a Division B Participant be less than the ~~Participant's~~Division B Participant's Employee Derived Benefit.

5.4 Adjustment to Normal Retirement Benefit for Employment After Normal Retirement Date

The monthly normal retirement benefit payable with respect to each Division A Participant who continues in employment with ~~his~~the Employer or an Affiliated Company after ~~his~~ Normal Retirement Date shall be the greater of:

(a) the ~~Participant's~~Participant’s Accrued Benefit as of the date such benefit is being determined; or

(b) the ~~Participant's~~Participant’s Accrued Benefit as of his or her Normal Retirement Date, multiplied by the appropriate late retirement adjustment factor as provided in the Adjustment Factors Addendum, based on the number of months his or her Annuity Starting Date follows his or her Normal Retirement Date.

The monthly normal retirement benefit payable with respect to each Division B Participant who continues in employment with ~~his~~the Employer or an Affiliated Company after ~~his~~ Normal Retirement Date shall be the ~~Participant's~~Participant’s Accrued Benefit as of the date such benefit is being determined.

5.5 Payment

A monthly normal retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the month in which ~~he~~the Participant retires, but not later than his or her Required Beginning Date.

ARTICLE VI
EARLY RETIREMENT

6.1 Eligibility for Early Retirement Benefit

Each Division A Participant who retires from employment with ~~his~~the Employer and all Affiliated Companies at or after age 55, but prior to age 60 and prior to ~~his~~ Normal Retirement Date, who has at least 10 years of Service shall be eligible for an early retirement benefit. The early retirement provisions of this Article do not apply to Division B Participants.

6.2 Amount of Early Retirement Benefit

An eligible ~~Participant's~~Participant's monthly early retirement benefit shall be equal to his or her vested Accrued Benefit on the date of his or her early retirement; provided, however, that the amount of such benefit shall be reduced by multiplying such amount by the appropriate early commencement factor determined as provided in the Adjustment Factors Addendum.

A ~~Participant's~~Participant's vested interest in his or her Accrued Benefit shall be determined in accordance with the schedule provided in Section 7.1.

6.3 Payment of Early Retirement Benefit

A monthly early retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of the month in which ~~he~~the Participant retires or the month in which ~~he~~the Participant makes written application for the benefit, but not later than his or her Normal Retirement Date.

ARTICLE VII
VESTED RIGHTS

7.1 Vesting

A ~~Participant's~~Division B Participant’s vested interest in his ~~Accumulated Post-Tax Contributions and, for Division B Participants, his~~or her Employee Derived Benefit shall be at all times 100%.

A Division A ~~Participant's~~Participant’s vested interest in his or her Accrued Benefit and a Division B ~~Participant's~~Participant’s vested interest in his or her Employer Derived Benefit shall be determined in accordance with ~~the applicable Division Schedule in the attached Addendum~~(a) or (b) below, based upon the number of full years of Service credited to him~~; provided, however, that~~ or her.

(a) Division A Participants: A Division A Participant’s vested interest in his or her Accrued Benefit shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage
Fewer than 5	0%
5 or more	100%

(b) Division B Participants: A Division B Participant’s vested interest in his or her Employer Derived Benefit shall be determined as follows:

(1) If the Division B Participant was hired as an Employee prior to July 1, 2017, the Participant’s vested interest shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage
Fewer than 1	0%
1 or more	100%

(2) If the Division B Participant was hired as an Employee on or after July 1, 2017, the Participant’s vested interest shall be determined in accordance with the following schedule:

Years of Service	Vested Percentage

Commented [DA6]: The change to the 5-year vesting schedule for participants hired on or after July 1, 2017 was made by the 2nd amendment to the 2013 plan.

Fewer than 5	0%
5 or more	100%

~~a Participant's~~Notwithstanding the foregoing, a Participant's vested interest in his or her Accrued Benefit or Employer Derived Benefit, as applicable, shall be 100% if ~~he~~the Participant is employed by ~~an~~the Employer or an Affiliated Company on his or her Normal Retirement Date or, for Division A Participants, the date ~~he~~the Participant becomes eligible for early retirement in accordance with the provisions of Article VI, regardless of whether ~~he~~the Participant has completed the number of years of Service required under the schedule for 100% vesting.

7.2 Eligibility for Deferred Vested Retirement Benefit

Each Participant who terminates employment with ~~his~~the Employer and all Affiliated Companies, who has a vested interest in his or her Accrued Benefit, and who is not eligible for any other retirement benefit under the Plan shall be eligible for a deferred vested retirement benefit.

7.3 Amount of Deferred Vested Retirement Benefit

An eligible ~~Participant's~~Participant's monthly deferred vested retirement benefit shall be equal to his or her vested Accrued Benefit on the date of ~~his~~ termination ~~of employment~~; provided, however, that if the Participant is eligible to elect to begin benefit payments before ~~his~~ Normal Retirement Date as provided in Section 7.4, the amount of such benefit shall be reduced for early commencement in the same way as provided in Section 6.2 with respect to an early retirement benefit.

7.4 Payment of Deferred Vested Retirement Benefit

A monthly deferred vested retirement benefit shall be paid to an eligible Participant commencing as of his or her Normal Retirement Date; provided, however, that a Division A Participant who has 10 years of Service may elect to begin benefit payments earlier as of the first day of any month following the month in which ~~he~~the Participant attains age 55.

7.5 Distribution of Accumulated ~~Post-Tax~~Pick-Up Contributions

~~A Participant who terminates employment for reasons other than death prior to becoming eligible for a normal retirement benefit under the Plan may elect to receive a single sum, cash distribution of his Accumulated Post-Tax Contributions at any time prior to the date payment of his retirement benefit begins (or, if the Participant is not eligible for a deferred vested retirement benefit, at the time such benefit could begin under the Plan, as elected by the Participant).~~

~~**7.6 Distribution of Accumulated Pick-Up Contributions**~~

A Division B Participant who terminates employment for reasons other than death prior to becoming eligible for a normal retirement benefit under the Plan may elect to receive a cash distribution of his or her Accumulated Pick-Up Contributions at any time prior to the date payment of his or her retirement benefit begins (or, if the Participant is not eligible for a deferred vested retirement benefit, at the time such benefit could begin under the Plan, as elected by the Participant).

If a Division B Participant elects to receive payment of his or her Accumulated Pick-Up Contributions, his or her Accrued Benefit shall be forfeited.

If a former Participant whose Accrued Benefit is forfeited as provided herein returns to employment with ~~an~~the Employer or an Affiliated Company, his or her prior Accrued Benefit shall be restored if he or she meets all of the following requirements:

(a) he or she is reemployed by ~~an~~the Employer or an Affiliated Company prior to incurring 5 consecutive Breaks in Service following the date payment of his or her Accumulated Pick-Up Contributions was made;

(b) he or she resumes employment covered under the Plan; and

(c) he or she repays to the Plan the full amount of the distribution he or she received, with interest, before 5 years from the date of ~~his~~ reemployment. For purposes of this paragraph, interest shall accrue annually, beginning on the date the Participant receives distribution of his or her Accumulated Pick-Up Contributions, at 5%.

ARTICLE VIII
DISABILITY RETIREMENT BENEFIT

8.1 No Disability Retirement Benefits Payable Under Plan

There shall be no ancillary disability or disability retirement benefits payable under the Plan.

ARTICLE IX
FORMS OF PAYMENT

9.1 Normal Form of Payment

~~A~~Unless a Participant who is eligible to receive ~~any~~a retirement benefit under ~~Section 5.1, 6.1, or 7.2 of~~ the Plan ~~shall~~elects to receive payment of such benefit in ~~accordance with~~an optional form provided under Section 9.2, payment shall be made in one of the following normal forms of payment:

(a) **Single Life Annuity for Unmarried Participants**. Accrued Benefits are determined assuming payment in this form. A Participant who is not married on his or her Annuity Starting Date shall receive such benefit in the form of a single life annuity. Such Participant shall receive a monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which his or her death occurs.

(b) **50% Qualified Joint and Survivor Annuity for Married Participants**. A Participant who is married on his or her Annuity Starting Date shall receive such benefit in the form of a 50% Qualified Joint and Survivor Annuity. Such Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which ~~his~~the Participant's death occurs. If the ~~Participant's~~Participant's Spouse survives ~~him~~, then commencing with the month following the month in which the ~~Participant's~~Participant's death occurs, ~~his~~the Spouse shall receive a monthly benefit for his or her remaining lifetime equal to 1/2 of the reduced amount payable during the ~~Participant's~~Participant's lifetime, the last payment being for the month in which the ~~Spouse's~~Spouse's death occurs. A married Participant may elect to increase the survivor benefit payable to ~~his~~the Spouse under the Qualified Joint and Survivor Annuity to 100% or 66 2/3% of the reduced amount payable during the ~~Participant's~~Participant's lifetime. Any such election must be made during the election period described in Section 9.5.

The reduced monthly payments to be made to the Participant under this paragraph shall be in an amount which, on the date of commencement thereof, is the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant under the form of payment described in paragraph (a).

To receive a benefit under the Qualified Joint and Survivor Annuity form of payment described in paragraph (b) above, a ~~Participant's~~Participant's Spouse must be the same Spouse to whom the Participant was married on ~~his~~the Annuity Starting Date. Once a ~~Participant's~~Participant's Annuity Starting Date occurs and retirement benefit payments commence under one of the normal forms of payment, the form of payment will not change even if the ~~Participant's~~Participant's marital status changes.

Subject to the requirements of Section 9.6, a Participant may waive the normal form of payment applicable to him or her and elect to receive payment of his or her benefit in one of the optional forms of payment provided in Section 9.2.

9.2 Optional Forms of Payment

Within the election period described in Section 9.5, a Participant who is eligible to receive a normal, early, or deferred vested retirement benefit may elect to receive payment of such benefit in accordance with any one of the following options. If the Participant is married on his or her Annuity Starting Date, any such election must satisfy the requirements of Section 9.6.

If the ~~Participant's~~Participant's Beneficiary under an optional form of payment dies prior to the ~~Participant's~~Participant's Annuity Starting Date, the election shall become inoperative and ineffective, and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment prior to his or her Annuity Starting Date. Once a ~~Participant's~~Participant's Annuity Starting Date occurs, however, the optional form of payment elected by the Participant will not change even if the ~~Participant's~~Participant's marital status changes or his or her Beneficiary predeceases him or her.

The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the single life annuity form described in Section 9.1(a).

(a) **Single Life Annuity**. The Participant shall receive a monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which his or her death occurs.

(b) **100% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which ~~his~~the Participant's death occurs. If the ~~Participant's~~Participant's Beneficiary survives ~~him~~, then commencing with the month following the month in which the ~~Participant's~~Participant's death occurs, ~~his~~such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to the reduced amount payable during the ~~Participant's~~Participant's lifetime, the last monthly payment being for the month in which the ~~Beneficiary's~~Beneficiary's death occurs.

(c) **66 2/3% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which ~~his~~the Participant's death occurs. If the ~~Participant's~~Participant's Beneficiary survives ~~him~~, then commencing with the month following the month in which the ~~Participant's~~Participant's death occurs, ~~his~~such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to 66 2/3rds of the reduced amount payable during the ~~Participant's~~Participant's lifetime, the last monthly payment being for the month in which the ~~Beneficiary's~~Beneficiary's death occurs.

(d) **50% Joint and Survivor Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which ~~his~~the Participant's death occurs. If the ~~Participant's~~Participant's Beneficiary survives ~~him~~, then commencing with the month following the month in which the ~~Participant's~~Participant's death occurs, ~~his~~such Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to 1/2 of the reduced amount payable during the ~~Participant's~~Participant's lifetime, the last monthly payment being for the month in which the ~~Beneficiary's~~Beneficiary's death occurs.

(e) **10-Year Certain and Life Annuity**. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime, the last monthly payment being for the month in which ~~his~~the Participant's death occurs. If the ~~Participant's~~Participant's death occurs prior to the end of the 10-year period commencing with his or her Annuity Starting Date, his or her Beneficiary shall receive a continued monthly benefit equal to such reduced amount for the remainder of such 10-year period. If the ~~Participant's~~Participant's Beneficiary dies after becoming eligible to receive a benefit hereunder, but prior to the end of the 10-year period, the unpaid monthly benefit shall be paid to the Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 9.3.

Notwithstanding any other provision of the Plan to the contrary, distribution under an optional form of payment shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the incidental death benefit requirement, as described in Article XVIII. If a Participant designates a person other than his or her Spouse as ~~his~~ Beneficiary under an optional form of payment, and if payments under the optional form elected would not meet the incidental death benefit requirement, the election shall be ineffective and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment provided under the Plan prior to his or her Annuity Starting Date.

9.3 Designation of Beneficiary and Beneficiary in Absence of Designated Beneficiary

A ~~Participant's~~Participant's Beneficiary may be any individual or, in the case of a Beneficiary to receive payments for the remainder of a period-certain under the form of payment elected by the Participant, any individuals, trust, or estate, selected by the Participant. A ~~Participant's~~Participant's designation of a Beneficiary is subject to the spousal consent requirements of Section 9.6.

Once a Participant's Annuity Starting Date has occurred, the Participant may not change the joint annuitant designated to receive the survivor annuity under an optional joint and survivor annuity.

If payment is to be made to a ~~Participant's~~Participant’s surviving Beneficiary for the remainder of a period-certain under the form of payment elected by the Participant and no Beneficiary survives or the Participant has not designated a Beneficiary, the ~~Participant's~~Participant’s Beneficiary shall be the ~~Participant's~~Participant’s surviving Spouse or, if none, the ~~Participant's~~Participant’s surviving children in equal shares or, if none, the ~~Participant's estate.~~Participant’s estate. If a Participant’s Beneficiary dies after becoming eligible to receive payments for the remainder of the period certain, but before all such payments are made, the remaining payments shall be paid to the deceased Beneficiary’s estate. If any payments are to be made to a trust or to the estate of a Participant as Beneficiary hereunder, such payments may be made in an Actuarially Equivalent single sum payment.

9.4 Notice Regarding Forms of Payment

The Administrator shall provide a Participant with a written description of (i) the terms and conditions of the normal forms of payment provided in Section 9.1, (ii) the optional forms of payment provided in Section 9.2, (iii) the ~~Participant's~~Participant’s right to waive the normal form of payment provided in Section 9.1 and to elect an optional form of payment and the effect thereof, (iv) the rights of the ~~Participant's~~Participant’s Spouse with respect to the Qualified Joint and Survivor Annuity form of payment, and (v) the ~~Participant's~~Participant’s right to revoke a waiver of the normal form of payment or to change his or her election of an option and the effect thereof. The explanation shall notify the Participant of his or her right to defer payment of his or her retirement benefit under the Plan until ~~his~~ Normal Retirement Date, or such later date as may be provided under the Plan, and include a description of the effect upon the Participant’s retirement benefit if the Participant does not elect to defer payment as permitted under the Plan. The Administrator shall provide such explanation no fewer than 30 days and no more than 90 days before a ~~Participant's~~Participant’s Annuity Starting Date.

Notwithstanding the foregoing, a ~~Participant's~~Participant’s Annuity Starting Date may occur fewer than 30 days after receipt of such explanation if the Administrator clearly informs the Participant:

(a) of his or her right to consider his or her form of payment election for a period of at least 30 days following his or her receipt of the explanation;

(b) the Participant, after receiving the explanation, affirmatively elects an early Annuity Starting Date, with his ~~Spouse's~~or her Spouse's written consent, if necessary;

(c) the ~~Participant's~~Participant's Annuity Starting Date occurs after the date the explanation is provided to him or her;

(d) the election period described in Section 9.5 does not end until the later of his or her Annuity Starting Date or the expiration of the 7-day period beginning the day after the date the explanation is provided to him or her; and

(e) actual payment of the ~~Participant's~~Participant's retirement benefit does not begin to the Participant before such revocation period ends.

Notwithstanding any other provision of this Section, the Administrator may provide the written explanation described in this Section to a Participant after the ~~Participant's~~Participant's Annuity Starting Date has occurred provided that the election period described in Section 9.5 shall not end until 30 days after the date the explanation is provided to the Participant. A Participant may waive the additional 30 day election period if the Administrator informs the Participant of his or her election rights as provided in paragraph (a) above and (i) after receiving the explanation, the Participant affirmatively waives the additional 30 day election period, (ii) the Participant may revoke his or her form of payment election and/or ~~his~~ waiver of the 30-day election period at any time prior to the expiration of the 7-day period beginning the day after the date the explanation is provided to the Participant, and (iii) actual payment of the ~~Participant's~~Participant's retirement benefit does not begin before such revocation period ends.

9.5 Election Period

A Participant may waive or revoke a waiver of the normal form of payment provided in Section 9.1 and elect, modify, or change an election of an optional form of payment provided in Section 9.2 by written notice delivered to the Administrator at any time during the election period; provided, however that no waiver of the normal form of payment and election of an optional form of payment shall be valid unless the Participant has received the written explanation described in Section 9.4. Subject to the provisions of Section 9.4 extending a ~~Participant's~~Participant's election period under certain circumstances, a ~~Participant's~~ ~~"~~Participant's "election period~~"~~" means the 90-day period ending on his or her Annuity Starting Date.

The form in which a Participant shall receive payment of his or her retirement benefit shall be determined upon the later of ~~his~~the Participant's Annuity Starting Date or the date his or her election period ends, based upon any waiver and election in effect on such date. Except as otherwise specifically provided in the Plan, in no event shall the form in which a ~~Participant's~~Participant’s retirement benefit is paid be changed on or after such date.

9.6 Spousal Consent Requirements

A married ~~Participant's~~Participant’s waiver of the normal Qualified Joint and Survivor Annuity form of payment and his or her election, modification, or change of an election of an optional form of payment must include the written consent of the ~~Participant's~~Participant’s Spouse, if any. A ~~Participant's~~Participant’s Spouse shall be deemed to have given written consent to the ~~Participant's~~Participant’s waiver and election if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because of any of the following circumstances:

(a) the Spouse cannot be located,

(b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect, or

(c) other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder.

Notwithstanding the foregoing, written spousal consent shall not be required if the Participant elects an optional form of payment that is a Qualified Joint and Survivor Annuity.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the Qualified Joint and Survivor Annuity form of payment and of the election of an optional form of payment and shall be witnessed by a Plan representative or a notary public. In addition, the written spousal consent shall either (i) specify the optional form of payment selected by the Participant and that such form may not be changed (except to a Qualified Joint and Survivor Annuity) without written spousal consent and specify any Beneficiary designated by the Participant and that such Beneficiary may not be changed without written spousal consent or (ii) acknowledge that the Spouse has the right to limit consent as provided in clause (i), but permit the Participant to change the optional form of payment or the designated Beneficiary without the ~~Spouse's~~Spouse’s further consent. Any written consent given or deemed to be given by a ~~Participant's~~Participant’s Spouse shall be irrevocable and shall be effective only with respect to such Spouse and not with respect to any subsequent Spouse.

9.7 Death Prior to Annuity Starting Date

Except as provided in Section 9.8, should a Participant die prior to his or her Annuity Starting Date neither ~~he~~the Participant nor any person claiming under or through ~~him~~the Participant shall be entitled to any retirement benefit under the Plan; and no benefit shall be paid under the Plan with respect to such Participant except any survivor benefit payable under the provisions of Article X.

9.8 Preservation of Election of Optional Form of Payment

If a Participant who continues employment after ~~his~~ Normal Retirement Date and dies before his or her Annuity Starting Date has elected within the applicable election period (as defined in Section 10.6) an optional form of payment under Section 9.2 that provides for a survivor benefit, ~~his~~such form of payment election shall be given effect and payment shall be made to ~~his~~the Participant's Beneficiary in accordance with the provisions of Section 9.2; provided, however, that no benefits will be payable hereunder with respect to a married Participant whose Spouse would be entitled to a Qualified Preretirement Survivor Annuity under Article X unless the Participant has waived the Qualified Preretirement Survivor Annuity as provided in Article X.

9.9 Effect of Reemployment on Form of Payment

Notwithstanding any other provision of the Plan, if a former Employee is reemployed, his or her prior election of a form of payment hereunder shall become ineffective unless the ~~Participant's~~Participant's Annuity Starting Date has occurred, in which case such election will continue to apply to benefits accrued both before and after reemployment.

ARTICLE X
SURVIVOR BENEFITS

10.1 Eligibility for Qualified Preretirement Survivor Annuity

If a Participant dies before his or her Annuity Starting Date, ~~his~~the Participant’s surviving Spouse shall be eligible for a Qualified Preretirement Survivor Annuity if all of the following requirements are met on the ~~Participant's~~Participant’s date of death:

(a) The Participant has a Spouse as defined in Section 1.1(~~rr~~pp).

(b) The Participant has not waived the Qualified Preretirement Survivor Annuity and elected an optional form of payment that is given effect as provided in Section 9.8.

(c) The Participant has not waived the Qualified Preretirement Survivor Annuity and designated a death beneficiary to receive payment of ~~his~~the Participant’s Accumulated Pick-Up Contributions as provided in Section 10.9(a).

(d) The Participant has a vested Accrued Benefit.

10.2 Amount of Qualified Preretirement Survivor Annuity

The monthly amount of the Qualified Preretirement Survivor Annuity payable to a surviving Spouse shall be equal to the survivor benefit that would have been payable to the Spouse if the Participant had:

(a) separated from service on the earlier of his or her actual separation from service date or his or her date of death;

(b) survived to the date as of which payment of the Qualified Preretirement Survivor Annuity to ~~his~~the surviving Spouse commences;

(c) elected to commence retirement benefits as of the date described in paragraph (b) above in the form of a 50% Qualified Joint and Survivor Annuity; and

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

Notwithstanding the foregoing, if prior to a ~~Participant's~~Participant’s death the Participant elected an optional form of payment in accordance with the provisions of Article IX that is a Qualified Joint and Survivor Annuity, for purposes of determining the amount of the Qualified Preretirement Survivor Annuity, the optional form of payment elected by the Participant shall be substituted for the 50% Qualified Joint and Survivor Annuity in paragraph (c) above.

10.3 Enhanced Qualified Preretirement Survivor Annuity

If a Participant dies while employed as an Employee after attaining age 55 and after completing 10 years of Service, the monthly amount of the Qualified Preretirement Survivor Annuity payable to ~~his~~the surviving Spouse shall be the greater of the amount determined in Section 10.2 or 50% of the ~~Participant's~~Participant’s Accrued Benefit on his or her date of death, without reduction for early commencement; provided, however, that the percentage of the ~~Participant's~~Participant’s Accrued Benefit payable to the Spouse as a Qualified Preretirement Survivor Annuity shall be reduced by 1% for each full year in excess of 10 by which the Spouse is younger than the Participant.

10.4 Payment of Qualified Preretirement Survivor Annuity

Payment of a Qualified Preretirement Survivor Annuity to a ~~Participant's~~Participant’s surviving Spouse shall commence as of the first day of the month following the later of (i) the month in which the Participant dies or (ii) the month in which the Participant would have attained earliest retirement age (as defined herein) under the Plan; provided, however, that the surviving Spouse of a Participant who is entitled to the enhanced Qualified Preretirement Survivor Annuity described in Section 10.3 may elect to commence payment as of the first day of the month following the month in which the Participant dies, regardless of whether the Participant would have attained earliest retirement age as of such date. Notwithstanding the foregoing, a ~~Participant's~~Participant’s surviving Spouse may elect to defer commencement of payment of the Qualified Preretirement Survivor Annuity to a date no later than the later of the ~~Participant's~~Participant’s Normal Retirement Date or the date the Participant would have attained age 62. If a ~~Participant's~~Participant’s surviving Spouse dies before the date as of which payment of the Qualified Preretirement Survivor Annuity is to commence to such Spouse, no Qualified Preretirement Survivor Annuity shall be payable hereunder.

Payment of a Qualified Preretirement Survivor Annuity shall continue to a ~~Participant's~~Participant’s surviving Spouse for such ~~Spouse's~~Spouse’s lifetime, the last monthly payment being for the month in which the ~~Spouse's~~Spouse’s death occurs.

10.5 Earliest Retirement Age

For purposes of this Article, a ~~Participant's "~~Participant’s “earliest retirement age~~"~~” means the first date the Participant would have both attained age 55 and completed at least 10 years of Service if ~~he~~the Participant had survived and had continued employment as an Employee. This definition of ~~"~~“earliest retirement age~~"~~” shall apply to both Division A Participants and Division B Participants. If the surviving Spouse of a Division B Participant who is not entitled to an enhanced Qualified Preretirement Survivor Annuity under Section 10.3 elects to commence payment of the Qualified Preretirement Survivor Annuity prior to the ~~Participant's~~Participant’s Normal Retirement Date, the amount of the benefit that would have been payable to the Participant shall be adjusted as provided in Section 6.2 to reflect such early commencement.

10.6 Waiver of Qualified Preretirement Survivor Annuity

Notwithstanding any other provision of this Article to the contrary, at any time during the applicable election period (as defined herein), a Participant may waive the Qualified Preretirement Survivor Annuity or revoke a prior waiver of the Qualified Preretirement Survivor Annuity. A ~~Participant's~~Participant’s waiver or revocation of a waiver of the Qualified Preretirement Survivor Annuity must be by written notice delivered to the Administrator, in such form as the Administrator shall require.

The ~~"~~“applicable election period~~"~~” means for any Division B Participant who wishes to designate a non-Spouse Beneficiary to receive distribution of his or her Accumulated Pick-Up Contributions upon his or her death in lieu of the Qualified Preretirement Survivor Annuity, the period beginning on the earlier of the first day of the Plan Year in which the Participant attains age 35 or the date ~~he~~the Participant terminates employment and ending on the earlier of the date of his or her death or his or her Annuity Starting Date. The applicable election period for a Participant who is eligible to elect an optional form of payment to be given effect in the event of his or her death as provided in Section 9.8 is the period beginning on his or her Normal Retirement Date and ending on the earlier of the date of his or her death or his or her Annuity Starting Date. Notwithstanding the foregoing, the applicable election period with respect to a Participant shall not include any period prior to the date the Participant receives the notice described in Section 10.8.

10.7 Spousal Consent to Waiver of Qualified Preretirement Survivor Annuity

A ~~Participant's~~Participant’s waiver of the Qualified Preretirement Survivor Annuity must include the written consent of ~~his~~the Participant’s Spouse. A ~~Participant's~~Participant’s Spouse will be deemed to have given written consent to the ~~Participant's~~Participant’s waiver if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because of any of the following circumstances:

(a) the Spouse cannot be located,

(b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect, or

(c) other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the Qualified Preretirement Survivor Annuity and shall be witnessed by a Plan representative or a notary public.

In addition, the written spousal consent must either (i) specify any optional form of payment elected by the Participant as provided in Section 9.8 and any Beneficiary designated by the

Participant under such optional form of payment any death beneficiary designated to receive the death benefit provided in Section 10.9(a) and that such optional form of payment and Beneficiary or death beneficiary, as applicable, may not be changed without written spousal consent or (ii) acknowledge that the Spouse has the right to limit consent as provided in clause (i), but permit the Participant to change the optional form of payment and Beneficiary or designated death beneficiary, as applicable, without the ~~Spouse's~~Spouse's further consent.

10.8 Notice Regarding Qualified Preretirement Survivor Annuity

The Administrator shall provide each Participant with a written explanation of (i) the terms and conditions of the Qualified Preretirement Survivor Annuity, (ii) the ~~Participant's~~Participant's right to waive the Qualified Preretirement Survivor Annuity and the effect thereof, (iii) the rights of the ~~Participant's~~Participant's Spouse with respect to the Qualified Preretirement Survivor Annuity, and (iv) the ~~Participant's~~Participant's right to revoke a waiver and the effect thereof. Such explanation shall be consistent with regulations issued under Code Section 401(a)(11). The Administrator shall provide such notice to a Division B Participant who has an Employee Derived Benefit within the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the Participant attains age 35 or if the Participant separates from service prior to attaining age 35, within the period beginning 12 calendar months before the ~~Participant's~~Participant's separation from service and ending 12 calendar months after ~~his~~ separation from service.

The Administrator shall provide such notice to a Participant who is eligible to elect an optional form of payment to be given effect in the event of ~~his~~the Participant's death as provided in Section 9.8 within the period beginning 12 calendar months before such ~~Participant's~~Participant's Normal Retirement Date and ending 12 calendar months after ~~his~~ Normal Retirement Date.

10.9 Special Death Benefit for Division B Participants ~~or Participants with Accumulated Post-Tax Contributions~~

A Division B Participant ~~who has Accumulated Participant Contributions~~ may designate a death beneficiary to receive the death benefit provided herein.

(a) **Death Prior to Commencement of Benefit Payments**. If a Division B Participant dies prior to his or her Annuity Starting Date and no benefit is payable to his or her Beneficiary under an optional form of payment given effect under the provisions of Section 9.8 and no Qualified Preretirement Survivor Annuity is payable under the provisions of this Article, then the ~~Participant's~~Division B Participant's death beneficiary shall receive a death benefit, payable in a single sum, that is equal to the ~~Participant's~~Division B Participant's Accumulated ~~Participant~~Pick-Up Contributions. If elected by the Division B Participant or the ~~Participant's~~Division B Participant's death beneficiary, such death benefit may be paid in level monthly installments over a period not to exceed 10 years.

A ~~Participant's~~Division B Participant's Accumulated ~~Participant~~Pick-Up Contributions shall be determined as of the date of the ~~Participant's~~Division B Participant's death.

(b) **Death After Commencement of Benefit Payments**. A ~~Participant's~~Division B Participant's death beneficiary may be eligible for a death benefit as provided below when either of the following requirements is met:

(1) the Division B Participant dies prior to his or her Annuity Starting Date and either a benefit is payable to ~~his~~the Participant's Beneficiary under an optional form of payment that is given effect under the provisions of Section 9.8 or a Qualified Preretirement Survivor Annuity is payable under the provisions of this Article, and the ~~Participant's~~Participant's Beneficiary or surviving Spouse also dies; or

(2) the Division B Participant dies after his or her Annuity Starting Date and either the form of payment elected by the Division B Participant under the provisions of Article IX does not provide for continued benefits in the event of the ~~Participant's~~Division B Participant's death or ~~his~~the Division B Participant's Beneficiary also dies.

The ~~Participant's~~Division B Participant's death beneficiary shall receive a death benefit, payable in a single sum, that is equal to the excess, if any, of (i) the ~~Participant's~~Division B Participant's Accumulated ~~Participant~~Pick-Up Contributions, determined as of the date benefit payments commenced under the Plan, over (ii) the amount of all benefit payments made under the terms of the Plan either to the Division B Participant and/or his or her Beneficiary under the provisions of Article IX or to the ~~Participant's~~Division B Participant's surviving Spouse under the provisions of this Article.

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

Notwithstanding the foregoing, a married ~~Participant's~~Division B Participant's designation of a death beneficiary to receive the death benefit provided in paragraph (a) of this Section shall not be given effect unless the ~~Participant's~~Division B Participant's designation meets the requirements of Sections 10.6 and 10.7. Spousal consent shall be required to a ~~Participant's~~Division B Participant's designation of a death beneficiary hereunder.

If no death beneficiary shall have been designated by a Division B Participant, or if all persons designated by ~~him~~the Division B Participant as death beneficiary shall die before becoming entitled to a death benefit hereunder, then such ~~Participant's~~Division B Participant's death beneficiary shall be ~~his~~the Division B Participant's surviving Spouse or, if none, ~~his~~the Division B Participant's surviving children in equal shares or, if none, ~~his~~the Division B Participant's estate. A death beneficiary designation under this Section shall be separate from any Beneficiary designation under the provisions of Article IX.

ARTICLE XI
GENERAL PROVISIONS & LIMITATIONS
REGARDING BENEFITS

11.1 Suspension of Benefits

If a Participant continues employment with ~~an~~the Employer or an Affiliated Company after reaching ~~his~~ Normal Retirement Date or a retired or former Employee is reemployed by ~~an~~the Employer or an Affiliated Company, any benefits payable to such Participant or retired or former Employee under the Plan shall be suspended during the period of such employment or reemployment, as applicable.

11.2 Non-Alienation of Retirement Rights or Benefits

Except as provided in Code Section 401(a)(13)(B) (relating to qualified domestic relations orders), Section 1.401(a)-13(b)(2) of the Treasury Regulations (relating to Federal tax levies), or as otherwise required by law, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have the power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void.

11.3 Payment of Benefits to Others

If the Administrator finds that any individual to whom a benefit is payable hereunder is incapable of attending to his or her financial affairs because of any mental or physical condition, including the infirmities of advanced age, any payment due may, in the discretion of the Administrator, be paid to such ~~individual's~~individual's court appointed guardian, to another person with a valid power of attorney, or to another person authorized under state law to receive the benefit. The monthly payment of a benefit to a person for the month in which ~~he~~such person dies shall, if not paid to such person prior to ~~his~~ death, be paid to such ~~person's~~person's spouse, parent, brother, sister, or estate, or in accordance with local or state law, as the Administrator shall determine. The Funding Agent shall make any such payments only upon receipt of written instructions to such effect from the Administrator. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

If payment of a benefit is to be made to a minor Beneficiary, the Administrator may, in its discretion, pay the amount to a ~~duly qualified~~court-appointed guardian or other legal representative, to the authorized person or entity (e.g., custodian or guardian) under the applicable state Uniform Gifts to Minors Act or Uniform Transfers to Minors Act, or to a trust that has been established for the benefit of the minor. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

11.4 Missing Payees and Unclaimed Benefits

With respect to a Participant or Beneficiary who has not claimed any benefit (the ~~"~~“missing payee~~"~~”) to which such missing payee is entitled, and with respect to any Participant or Beneficiary who has not satisfied the administrative requirements for benefit payment, the Administrator may elect, in its discretion, to do any of the following:

(a) segregate the benefit into an interest bearing account, in which event an annual maintenance fee as may be set from time to time in a policy established by the Sponsor may be assessed against the segregated account;

(b) subject to a policy established by the Administrator, distribute the benefit at any time in any manner which is sanctioned by the Internal Revenue Service and/or the Department of Labor, which may include (but not be limited to) (1) distributing the benefit in an automatic direct rollover to an individual retirement plan designated by the Administrator; such individual retirement plan, as defined in Code Section 7701(a)(37), may be either an individual retirement account within the meaning of Code Section 408(a) or an individual retirement annuity within the meaning of Code Section 408(b); or (2) distributing the benefit to any authorized Federal Department or agency;

(c) distribute the benefit to any person or entity who is appointed under State (or Commonwealth) law to act as a duly authorized guardian, legal representative, conservator, or power of attorney; or

(d) treat the entire benefit as a forfeiture.

If a missing payee whose benefit has been forfeited is located, or if a payee whose benefit has been forfeited for failure to satisfy the administrative requirements for benefit payment subsequently satisfies such administrative requirements and claims his or her benefit, and if the Plan has not terminated (or if the Plan has terminated, all benefits have not yet been paid), then the benefit will be restored. The Administrator, on a case by case basis, may elect to restore the benefit by the use of earnings from non-segregated assets of the Pension Fund, by Employer contributions, or by any combination thereof. However, if any such payee has not been located (or satisfied the administrative requirements for benefit payment) by the time the Plan terminates and all benefits have been distributed from the Plan, then the forfeiture of any such unpaid benefit will not be restored.

11.5 Payment of Small Benefits; Deemed Cashout

If the Actuarially Equivalent present value of any retirement benefit payable under Section 5.1, 6.1, or 7.2 or any survivor benefit to a Division A Participant or to the Beneficiary of a Division A Participant, as applicable, is $5,000 or less, such Actuarially Equivalent present value shall be paid to the Participant, or his or her Beneficiary, if applicable, in a single sum payment, in lieu of all other benefits under the Plan, as soon as practicable following the date of the ~~Participant's~~Participant’s retirement, death, or other termination of employment and he or she shall cease to be a Participant under the Plan as of the date of such payment. The provisions of this paragraph shall not apply to Division B Participants or Beneficiaries of Division B Participants.

Notwithstanding the foregoing, if the Actuarially Equivalent present value of any retirement benefit payable under the Plan to a Participant is greater than $1,000, such Actuarially Equivalent present value shall not be paid to the Participant in a single sum payment prior to the later of (i) the date the Participant attains age 62 or (ii) the ~~Participant's~~Participant’s Normal Retirement Date, unless the Participant consents in writing to such distribution. The provisions of this paragraph shall not apply to a distribution to a ~~Participant's~~Participant’s surviving spouse, alternate payee under a domestic relations order, or other Beneficiary.

If the nonforfeitable Accrued Benefit of a Participant is zero, such Participant shall be deemed to have received distribution of his or her entire vested Accrued Benefit under the Plan, in lieu of all other benefits under the Plan, as of the date of his or her termination of employment with ~~his~~the Employer and all Affiliated Companies and he or she shall cease to be a Participant under the Plan as of such date.

A former Division A Participant who received a distribution hereunder, other than a deemed distribution, because of ~~his~~ retirement or other termination of employment shall lose the Credited Service with which he or she was credited at the time of his or her prior termination of employment or retirement. If such former Participant is reemployed, such prior Credited Service shall not be reinstated unless the former Participant satisfies the requirements of Section 3.5.

A distribution hereunder is deemed to be made because of a ~~Participant's~~Participant’s retirement or termination of employment if it is made before the end of the second Plan Year following the Plan Year in which such retirement or termination occurred.

11.6 Direct Rollovers

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving a single sum payment as provided in Section 11.5, a ~~"~~“qualified distributee~~"~~” may elect in writing, in accordance with rules prescribed by the Sponsor, 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~~”. Any such payment by the Plan to another “eligible retirement plan” shall be a direct rollover.

Notwithstanding the foregoing, the Administrator may elect not to permit a direct rollover of (i) a “qualified distributee’s” full distribution if the total distribution is less than $200 ~~and that a "~~or (ii) a portion of a “qualified ~~distributee" may not elect this provision with respect to any~~distributee’s” distribution if the partial distribution ~~that~~ is less than $500. ~~Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover.~~

The Administrator shall provide a ~~"~~“qualified distributee~~"~~” with a notice describing his or her right to make a direct rollover of ~~his "~~an “eligible rollover distribution.~~"~~” A ~~"~~“qualified distributee~~"~~” shall have a period of at least 30 days after receiving such notice to determine whether or not to roll over his ~~"~~or her “eligible rollover distribution.~~"~~” A Participant may waive this 30-day period if:

(a) the Administrator clearly informs the Participant of ~~his~~the Participant’s right to consider whether to make a direct rollover for a period of at least 30 days following ~~his~~ receipt of the explanation; and

(b) the Participant, after receiving the explanation, affirmatively elects an early Annuity Starting Date.

For purposes of this Section, the following terms have the following meanings:

(c) An ~~"~~“**eligible retirement plan**~~"~~” with respect to a ~~"~~“qualified distributee~~"~~” who is the Participant, ~~his~~the Participant’s surviving Spouse, or ~~his~~the Participant’s Spouse or former Spouse who is an alternate payee under a qualified domestic relations order means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) a Roth IRA described in Code Section 408A, (iv) an annuity plan described in Code Section 403(a) that accepts rollover, (~~iv~~v) a qualified trust described in Code Section 401(a) that accepts rollovers, (~~v~~vi) an annuity contract described in Code Section 403(b) that accepts rollovers, or (~~vi~~vii) an eligible plan under Code Section 457(b) that is maintained by a state or political subdivision of a state and that agrees to separately account for amounts transferred into such plan from the Plan~~, or (vii) a Roth IRA, as described in Code Section 408A. The portion of an "eligible rollover distribution" that is attributable to a Participant's Post-Tax Contributions may only be rolled over to one of the following: (A) an individual retirement account or annuity described in Code Section 408(a) or (b) or a Roth IRA, as described in Code Section 408A; (B) a qualified defined contribution plan described in Code Section 401(a) or 403(a) or a defined contribution annuity contract described in Code Section 403(b); or (C) a qualified defined benefit plan described in Code Section 401(a) or a defined benefit annuity contract described in Code Section 403(b), provided that the plan or annuity contract described in (C) agrees to separately account for amounts so transferred, including separately accounting for the portion of~~

~~such distribution which is includible in gross income and the portion of such distribution which is not so includible.~~.

An ~~"~~“**eligible retirement plan**~~"~~” with respect to a ~~"~~“qualified distributee~~"~~” other than the Participant, ~~his~~the Participant’s surviving Spouse, or ~~his~~the Participant’s Spouse or former Spouse who is an alternate payee under a qualified domestic relations order means either an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (including any such individual retirement account or annuity designated as a Roth IRA pursuant to Code Section 408A) (an ~~"~~“IRA~~"~~”). Such IRA must be treated as an IRA inherited from the deceased Participant by the ~~"~~“qualified distributee~~"~~” and must be established in a manner that identifies it as such.

(d) An ~~"~~“**eligible rollover distribution**~~"~~” means any distribution of all or any portion of a ~~Participant's~~Participant’s Accrued Benefit or a distribution of all or any portion of a survivor benefit under Article X ; provided, however, that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the qualified distributee or the joint lives or joint life expectancies of the qualified distributee and the qualified ~~distributee's~~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).

(e) A ~~"~~“**qualified distributee**~~"~~” means a Participant, ~~his~~the Participant’s surviving Spouse, or ~~his~~the Participant’s Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), and a ~~Participant's~~Participant’s non-Spouse Beneficiary who is ~~his~~the Participant’s designated beneficiary within the meaning of Code Section 401(a)(9)(E).

~~Notwithstanding any other provision of the Plan to the contrary, for purposes of this Section, a Participant's "Spouse" must also qualify as a spouse under Federal law.~~

11.7 Limitations on Commencement

The provisions of this Section are included solely for purposes of complying with Code Section 401(a)(9). Nothing in this Section is intended to postpone payments beyond the date otherwise required under the terms of the Plan.

Notwithstanding any other provision of the Plan to the contrary, payment of a ~~Participant's~~Participant’s retirement benefit shall commence not later than ~~his~~the Participant’s Required Beginning Date.

Distributions required to commence under this Section shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, as described in Article XVIII. If payment of a ~~Participant's~~Participant’s retirement benefit does not commence until ~~his~~the Participant’s Required Beginning Date, ~~his~~the Required Beginning Date shall be considered ~~his~~the Participant’s Annuity Starting Date for all purposes of the Plan.

Subject to the requirements of Code Sections 401(a)(9), no benefit payments shall commence under the Plan until the Participant, or ~~his~~the Participant’s surviving Spouse, if applicable, makes written application therefore on a form satisfactory to the Administrator. If the amount of a monthly retirement benefit payable to a Participant cannot be determined for any reason (including lack of information as to whether the Participant is still living or his or her marital status) on the date payment of such benefit is to commence under this Section, payment shall be made retroactively to such date no later than 60 days after the date on which the amount of such monthly retirement benefit can be determined.

11.8 Offset to Accrual After Normal Retirement Date

The amount of benefit accrued by an Employee for each year of Credited Service that ~~he~~the Employee completes after the date retirement income becomes payable to him or her by reasons other than ~~his~~ retirement or termination of employment shall be reduced (but not below zero) by the Actuarial Equivalent of the retirement benefits paid to the Employee for the period for which he or she accrues such year of Credited Service.

ARTICLE XII
MAXIMUM RETIREMENT BENEFITS

12.1 Definitions

For purposes of this Article XII, the following terms have the following meanings.

(a) An ~~"~~“**affiliated employer**~~"~~” means any corporation or business, other than ~~an~~the Employer, which would be aggregated with ~~an~~the Employer for a relevant purpose under Code Section 414 as modified by Code Section 415(h).

(b) A ~~Participant's "~~Participant’s “**aggregate annual retirement benefit**~~"~~” means the sum of ~~his "~~the Participant’s “annual retirement benefit~~"~~” under the Plan and ~~his "~~the Participant’s “annual retirement benefit~~"~~”, if any, under any and all other ~~"~~“defined benefit plans~~"~~” (whether or not terminated) maintained by ~~an~~the Employer, any ~~"~~“affiliated employer~~"~~”, or a ~~"~~“predecessor employer~~"~~” that are required to be aggregated with the Plan in accordance with the provisions of Treasury Regulations Section 1.415(f)-1.

(c) A ~~Participant's "~~Participant’s “**annual retirement benefit**~~"~~” means the amount of retirement benefit attributable to Employer contributions (including benefits attributable to contributions picked up by the Employer, as described in Code Section 414(h)(2), if any) which is payable to ~~him~~the Participant annually under the Plan adjusted to the actuarially equivalent single life annuity form using the factors prescribed in the following paragraphs if such benefit is to be paid in a manner other than to the Participant for his or her life only. A ~~Participant's "~~Participant’s “annual retirement benefit~~"~~” includes Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another ~~"~~“defined benefit plan~~"~~”, other than transfers of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), but shall not include the following: (A) benefits attributable to a ~~Participant's "~~Participant’s “employee contributions;~~"~~” (B) any repayment of contributions made by a Participant to the Plan with respect to an amount previously refunded upon the forfeiture of service credits under the Plan or another governmental plan maintained by a State or local governmental employer within the same State; or (C) benefits provided under a ~~"~~“qualified governmental excess benefit arrangement,~~"~~” as defined in Code Section 415(m)(3). ~~If a Participant's retirement benefit under the Plan includes Post-Tax Contributions, the portion of the Participant's retirement benefit attributable to Employer Contributions is the excess of the Participant's retirement benefit over the actuarially equivalent single life annuity attributable to the Participant's Post-Tax Contributions, determined assuming interest accrues on such contributions at the rate prescribed under Code Section 411 and converting to the annuity form using the "applicable mortality table" and the "417(e)~~

~~interest rate" determined as of the second calendar month preceding the Plan Year in which the distribution is made.~~

For purposes of determining a ~~Participant's "~~Participant's “annual retirement benefit~~"~~”, the following shall apply:

(1) If payment is to be made in a form other than to the Participant for his or her life only, and such form is not subject to the requirements of Code Section 417(e)(3), the actuarially equivalent single life annuity shall be the greater of:

(A) the annual amount of single life annuity, if any, payable to the Participant under the Plan commencing at the same Annuity Starting Date as the ~~Participant's~~Participant’s form of payment; or

(B) the annual amount of single life annuity commencing at the same Annuity Starting Date that has the same actuarially equivalent present value as the ~~Participant's~~Participant’s form of payment computed using the ~~"~~“applicable mortality table~~"~~” and an interest rate of 5%.

(2) If payment is to be made to the Participant in a form that is subject to the requirements of Code Section 417(e)(3), the actuarially equivalent single life annuity form shall be the annual amount of single life annuity commencing on the same Annuity Starting Date that has the same actuarially equivalent present value as the Participant’s form of payment determined using the following factors, whichever ~~provides~~provide the greatest annual amount:

(A) the mortality table and interest rate otherwise used under the Plan for purposes of determining Actuarial Equivalence of such optional form;

(B) the ~~"~~“applicable mortality table~~"~~” and an interest rate of 5.5%; or

(C) the ~~"~~“applicable mortality table~~"~~” and the ~~"~~“417(e) interest rate~~"~~” determined as of the second calendar month preceding the Plan Year in which the distribution is made, with the resulting amount divided by 1.05.

(3) A form of payment is not subject to the requirements of Code Section 417(e)(3) if the form of payment is either (A) a ~~nondecreasing~~non-decreasing annuity (other than a single life annuity) payable for a period not less than the life of the Participant (or in the case of a Qualified Preretirement Survivor Annuity, the life of the ~~Participant's~~Participant’s Spouse) or (B) an annuity that decreases during the life of the Participant merely because of (I) the death of the ~~Participant's~~Participant’s Beneficiary under a joint and survivor annuity, but only if the reduction is not below 50% of the benefit payable before the death of the

Beneficiary or (II) cessation or reduction of Social Security supplements or qualified disability payments, as defined in Code Section 401(a)(11).

(4) No actuarial adjustment shall be made hereunder for the following:

(A) ~~(4) No actuarial adjustment shall be made hereunder for (A)~~ survivor benefits payable to a surviving Spouse under a Qualified Joint and Survivor Annuity to the extent such benefits would not be payable if the ~~Participant's~~Participant’s benefit were paid in another form~~,~~;

(B) ~~(B)~~ benefits that are not directly related to retirement benefits (such as qualified disability benefits, preretirement incidental death benefits, and post-retirement medical benefits)~~,~~; or

(C) ~~(C)~~ the inclusion in the form of payment of an automatic benefit increase feature, provided that (I) the form of payment is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Article XII and (II) the Plan provides that the amount payable under the form of payment in any ~~"~~“limitation year~~"~~” shall not exceed the limits of this Article XII applicable as of the Annuity Starting Date, increased in subsequent years pursuant to Code Section 415(d). For purposes of ~~clause~~this paragraph (C), an automatic benefit increase feature is included in a form of payment if the form of payment provides for automatic, periodic increases to benefits paid in that form.

(5) If a Participant has or will have distributions commencing at more than one Annuity Starting Date, the ~~"~~“annual retirement benefit~~"~~” shall be determined as of each Annuity Starting Date (and shall satisfy the limitations of this Article XII as of each such date), actuarially adjusting for past and future distributions of benefits commencing as of other Annuity Starting Dates. For purposes of this paragraph (5), the determination of whether a new Annuity Starting Date has occurred shall be made without regard to Treasury Regulations Section 1.401(a)-20, Q&A 10(d), but with regard to Treasury Regulations Sections 1.415(b)-1(b)(1)(iii)(B) and (C).

(d) The ~~"~~“**applicable mortality table**~~"~~” means the applicable Code Section 417(e)(3) mortality table.

(e) ~~"~~“**Defined benefit plan**~~"~~” and ~~"~~“**defined contribution plan**~~"~~” have the meanings given such terms in Code Section 415(k).

(f) The ~~"~~“**defined benefit dollar limitation**~~" means $160,000, as adjusted, effective January 1 of each~~” means the dollar limit in effect for the “limitation year~~,~~” under Code Section 415(d) ~~in such manner as the Secretary of the Treasury shall prescribe, and~~($230,000 for the “limitation year” beginning in 2021), based on a benefit payable in the form of a single life annuity. ~~A~~ Any adjustment to the “defined benefit dollar limitation~~ adjusted~~” made under Code Section 415(d) will apply to ~~"~~“limitation years~~"~~” ending with or within the calendar year for which the adjustment applies.

The ~~"~~“defined benefit dollar limitation~~"~~” shall be adjusted as follows:

(1) If the Participant has fewer than 10 years of participation in the Plan, the ~~"~~“defined benefit dollar limitation~~"~~” shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof, but not less than ~~1~~one) of participation in the plan and (ii) the denominator of which is 10. For purposes of this paragraph (1), a Participant is credited with a ~~"~~“year of participation~~"~~” (computed to fractional years) for each year (or fraction of a year) of Credited Service with which ~~he~~the Participant is credited under the Plan, provided that (A) he or she is included as a Participant under the eligibility provisions of the Plan for at least one day of each such year (or fraction of a year) and (B) the Plan is established no later than the last day of such year (or fraction of a year).

The adjustment provided in this paragraph (g)(1) shall not apply to the following:

(A) benefits payable to a Participant or ~~his~~the Participant’s Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

(B) benefits payable to a ~~Participant's~~Participant’s Beneficiary as a result of the death of the Participant.

(2) If the benefit of a Participant begins prior to age 62, the ~~"~~“defined benefit dollar limitation~~"~~” applicable to the Participant at such earlier age is an annual benefit payable in the form of a single life annuity beginning at the ~~Participant's~~Participant’s Annuity Starting Date that is the following, as applicable:

(A) If the plan does not provide an immediately commencing single life annuity commencing at both age 62 and the ~~Participant's~~Participant’s age at his or her Annuity Starting Date, the actuarial equivalent of the ~~"~~“defined benefit dollar limitation~~"~~” (adjusted for years of participation under (1) above, if required) determined using the ~~"~~“applicable mortality table~~"~~” (expressing the ~~Participant's~~Participant’s age based on completed calendar months as of the Annuity Starting Date) and an interest rate of 5%.

(B) If the plan does provide an immediately commencing single life annuity commencing at both age 62 and the ~~Participant's~~Participant’s age at his or her Annuity Starting Date, the lesser of: (a) the amount determined under (A) above or (b) the ~~"~~“defined benefit dollar limitation~~"~~” (adjusted for years of participation under (1) above, if required) multiplied by the ratio of the annual amount of the immediately commencing single life annuity under the Plan at the ~~Participant's~~Participant’s Annuity Starting Date to the annual amount of the immediately commencing single life annuity under the Plan at age 62, both determined without applying the limitations of this Article XII.

Any decrease in the ~~"~~“defined benefit dollar limitation~~"~~” determined in accordance with paragraph (2)(A) above shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account. For this purpose, no forfeiture is treated as ~~occuring~~occurring upon the ~~Participant's~~Participant’s death if the Plan does not charge Participants for providing Qualified Preretirement Survivor Annuity coverage.

The adjustment provided in this paragraph (g)(2) shall not apply to the following:

(C) benefits payable to a Participant or his or her Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

(D) benefits payable to a ~~Participant's~~Participant’s Beneficiary as a result of the death of the Participant; or

(E) benefits payable to any ~~"~~“qualified participant~~"~~”, as defined herein. A ~~"~~“qualified participant~~"~~” means any Participant whose period of service under the Plan includes at least 15 years as (A) a member of the Armed Forces and/or (B) a full-time employee of a police or fire department organized and operated by the Employer to provide police protection, firefighting services, or emergency medical services for an area within the jurisdiction of such Employer.

(3) If the benefit of a Participant begins after the Participant attains age 65, the ~~"~~“defined benefit dollar limitation~~"~~” applicable to the Participant at the later age is an annual benefit payable in the form of a single life annuity beginning at the Annuity Starting Date that is the following, as applicable:

(A) If the plan does not provide an immediately commencing single life annuity commencing at both age 65 and the ~~Participant's~~Participant’s age at his or her Annuity Starting Date, the actuarial equivalent of the ~~"~~“defined benefit dollar limitation~~"~~” (adjusted for years of participation under (1) above, if required) determined using the ~~"~~“applicable mortality table~~"~~” (expressing the ~~Participant's~~Participant’s age based on completed calendar months as of the Annuity Starting Date) and an interest rate of 5%.

(B) If the plan does provide an immediately commencing single life annuity commencing at both age 65 and the ~~Participant's~~Participant’s age at his or her Annuity Starting Date, the lesser of: (a) the amount determined under (A) above or (b) the ~~"~~“defined benefit dollar limitation~~"~~” (adjusted for years of participation under (1) above, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing single life annuity under the Plan at the ~~Participant's~~Participant’s Annuity Starting Date to the annual amount of the adjusted immediately commencing single life annuity under the Plan at age 65, both determined without applying the limitations of this Article XII. The adjusted immediately commencing single life annuity at the ~~Participant's~~Participant’s Annuity Starting Date is the annual amount of such annuity payable to the Participant computed disregarding accruals after age 65, but including actuarial adjustments even if those adjustments are used to offset accruals and the adjusted immediately commencing single life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable to a hypothetical Participant who is age 65 and has the same Accrued Benefit as the Participant.

Any adjustment to the ~~"~~“defined benefit dollar limitation~~"~~” determined in accordance with paragraph (3)(A) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account. For this purpose, no forfeiture is treated as ~~occuring~~occurring upon the ~~Participant's~~Participant’s death if the Plan does not charge Participants for providing Qualified Preretirement Survivor Annuity coverage.

(g) An ~~"~~“**employee contribution**~~"~~” means any employee after-tax contribution contributed by a Participant under any qualified plan of the Employer or an ~~"~~“affiliated employer~~"~~”, including mandatory employee contributions, as defined in Code Section 411(c)(2)(C).

(h) The ~~"~~“**417(e) interest rate**~~"~~” means the adjusted first, second and third segment rates applied under Code Section 430(h)(2)(C), computed without regard to a 24 month average.

(i) The ~~"~~“**limitation year**~~"~~” means the calendar year.

(j) A ~~"~~“**predecessor employer**~~"~~” means (1) any former employer with respect to which the Employer or ~~"~~“affiliated employer~~"~~” maintains a plan that provides benefits that the Participant accrued while performing services for such other employer or (2) a former entity that antedates the Employer or an ~~"~~“affiliated employer~~"~~” if under the facts and circumstances the Employer or ~~"~~“affiliated employer~~"~~” constitutes a continuation of all or a part of the trade or business of the former entity.

12.2 Maximum Limitation on Annual Benefits

The ~~"~~“aggregate annual retirement benefit~~"~~” payable to a Participant may not at any time within any ~~"~~“limitation year~~"~~” exceed the ~~"~~“defined benefit dollar limitation~~"~~”; provided, however, that the ~~"~~“aggregate annual retirement benefit~~"~~” payable to a Participant shall be deemed not to exceed such limits if both of the following requirements are met:

(a) The Employer, all ~~"~~“affiliated employers~~"~~”, and any ~~"~~“predecessor employer~~"~~” have not at any time maintained a separate ~~"~~“defined contribution plan~~"~~” in which the Participant participated; and

(b) The ~~"~~“aggregate annual retirement benefit~~"~~” payable for a ~~"~~“limitation year~~"~~” under any available form of payment does not exceed $10,000; provided that if the Participant has fewer than 10 years of service, as defined below, such dollar amount shall be adjusted by multiplying it by a fraction, the numerator of which is the ~~Participant's~~Participant’s number of years of service (or part thereof, but not less than one) and the denominator of which is 10. The adjustment to the dollar amount provided under this paragraph (b) shall not apply to the following:

 (1) benefits payable to a Participant or ~~his~~the Participant’s Beneficiary as a pension, annuity, or similar allowance as a result of the recipient becoming disabled due to personal injury or illness; or

 (2) benefits payable to a ~~Participant's~~Participant’s Beneficiary as a result of the death of the Participant.

For purposes of paragraph (b) above, a Participant is credited with a ~~"~~“year of service~~"~~” (computed to fractional years) equal to the years of Credited Service with which ~~he~~the Participant would have credited under the Plan, taking into account service with the ~~Employers~~Employer, any ~~"~~“affiliated employer~~"~~”, or a ~~"~~“predecessor employer.~~"~~”

If a Participant makes one or more contributions to the Plan for purposes of purchasing ~~"~~“permissive service credits,~~"~~” as defined in Code Section 415(n)(3), the requirements of Code Section 415 shall be satisfied if either:

(c) the requirements of this Section 12.2 are satisfied including the accrued benefit derived from such contributions in the ~~Participant's "~~Participant’s “aggregate annual retirement benefit;~~"~~” or

(d) the requirements of Code Section 415(c) are met for the ~~"~~“limitation year~~"~~” in which the contributions are made, aggregating such contributions with other ~~"~~“annual additions,~~"~~”

as defined in Code Section 415(c)(2) and regulations issued thereunder, made to plans maintained by the Employer and ~~"~~“affiliated employers.~~"~~”

12.3 Grandfather Prior Benefits

Notwithstanding any other provision of this Article to the contrary, in no event will application of the limits contained in this Article reduce the ~~"~~“aggregate annual retirement benefit~~"~~” payable to a Participant below the ~~"~~“aggregate annual retirement benefit~~"~~” payable to the Participant as of the end of the last ~~"~~“limitation year~~"~~” beginning before July 1, 2007 under the provisions of the Plan adopted and in effect before April 5, 2007, provided that such provisions satisfied the requirements of Code Section 415 and the regulations and published guidance issued thereunder in effect as of the end of the last ~~"~~“limitation year~~"~~” beginning before July 1, 2007, as provided in Treasury Regulations Section 1.415(a)-1(g)(4).

12.4 Manner of Reduction

If a ~~Participant's "~~Participant’s “annual retirement benefit~~"~~” payable for a ~~"~~“limitation year~~"~~” would otherwise exceed the limitations specified in this Article, ~~his "~~the Participant’s “annual retirement benefit~~"~~” payable for such ~~"~~“limitation year~~"~~” shall be reduced to the extent necessary. If a Participant is also covered by another ~~"~~“defined benefit plan~~"~~” required to be aggregated with the Plan under Treasury Regulations Section 1.415(f)-1 and ~~his "~~the Participant’s “aggregate annual retirement benefit~~"~~” payable for a ~~"~~“limitation year~~"~~” would exceed the limitations of this Section, ~~his "~~the Participant’s “annual retirement benefit~~"~~” payable for such ~~"~~“limitation year~~"~~” shall be reduced by an amount equal to the amount by which ~~his "~~the Participant’s “aggregate annual retirement benefit~~"~~” payable for such ~~"~~“limitation year~~"~~” would exceed the limitations of this Section multiplied by a fraction, the numerator of which is ~~his "~~the Participant’s “annual retirement benefit~~"~~” (determined without regard to this Section) and the denominator of which is ~~his "~~the Participant’s “aggregate annual retirement benefit~~"~~” (determined without regard to the limitations of this Section or any corresponding limitation in any other ~~"~~“defined benefit plan~~"~~” maintained by the Employer, any ~~"~~“affiliated employer,~~"~~” or any predecessor employer~~"~~”).

If the limitation contained in this Article is nevertheless exceeded with respect to a Participant for any ~~"~~“limitation year,~~"~~” correction shall be made in accordance with the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure ~~2006~~2021-~~27~~30, or any superseding guidance.

ARTICLE XIII
PENSION FUND

13.1 Pension Fund

The Pension Fund is maintained by the Funding Agent for the Plan under a Funding Agreement with the Sponsor. Subject to the provisions of applicable state law, benefits under the Plan shall be only such as can be provided by the assets of the Pension Fund, and no liability for payment of benefits shall be imposed upon the ~~Employers~~Employer or any Affiliated Company, or any of their officers, employees, directors, or stockholders.

13.2 Contributions by the ~~Employers~~Employer

So long as the Plan continues, contributions will be made by the ~~Employers~~Employer at such times and in such amounts as the Sponsor in its sole discretion shall from time to time determine, based on the advice of the Actuary and consistent with the funding policy for the Plan. Subject to the provisions of Section 13.5, all such contributions shall be delivered to the Funding Agent for deposit in the Pension Fund.

13.3 Expenses of the Plan

The expenses of administration of the Plan, including the expenses of the Administrator and fees of the Funding Agent and any investment advisor, shall be paid from the Pension Fund, unless the Sponsor or ~~an~~the Employer elects to make payment.

13.4 No Reversion

The Pension Fund shall be for the exclusive benefit of Participants and persons claiming under or through them. All contributions pursuant to Section 13.2 hereof shall be based on the facts then understood by the Sponsor and shall be conditioned upon the initial qualification of the Funding Agreement and Plan under Code Sections 401 and 501(a). All such contributions shall be irrevocable and such contributions as well as the Pension Fund, or any portion of the principal or income thereof, shall never revert to or inure to the benefit of the ~~Employers~~Employer or any Affiliated Company except that:

(a) the residual amounts specified in Article XVI may be returned to the ~~Employers~~Employer;

(b) any contributions which are made under a mistake of fact (reduced by any losses attributable thereto) may be returned to the ~~Employers~~Employer within ~~1~~one year after the contributions were made; and

(c) any contributions made for years during which the Funding Agreement and Plan were not initially qualified under Code Sections 401 and 501(a) may be returned to the ~~Employers~~Employer within ~~1~~one year after the date of denial of initial qualification, but only if an application for determination was filed within the period of time prescribed under ERISA Section 403(c)(2)(B).

The Sponsor shall determine, in its sole discretion, whether the contributions described above, other than the residual amounts described in paragraph (a), shall be returned to ~~an~~the Employer. If any such contributions are to be returned, the Sponsor shall so direct the Funding Agent, in writing, no later than 10 days prior to the last day upon which they may be returned.

13.5 Forfeitures Not to Increase Benefits

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

13.6 Change of Funding Medium

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

ARTICLE XIV
ADMINISTRATION

14.1 Authority of the Sponsor

The Sponsor which shall be the plan administrator for purposes of the Code, shall have all the powers and authority expressly conferred upon it herein and further shall have the sole discretionary right, authority, and power to interpret and construe the Plan, and to determine any disputes arising thereunder, subject to the provisions of Section 14.4. In exercising such powers and authority, the Sponsor at all times shall exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Sponsor may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties hereunder. The Sponsor may designate a person or persons to carry out any of its powers, authority, or responsibilities for the operation and administration of the Plan, except that no designation by the Sponsor with respect to any of such powers, authority, or responsibilities to such other person shall become effective unless such allocation or designation shall first be accepted by such other person in a writing signed by it and delivered to the Sponsor.

14.2 Discretionary Authority

In carrying out its duties under the Plan, including making benefit determinations, interpreting or construing the provisions of the Plan, and resolving disputes, the Sponsor (or any individual to whom authority has been delegated in accordance with Section 14.1) shall have absolute discretionary authority.

Any interpretation of Plan provisions and any findings of fact, including eligibility to participate and eligibility for benefits, made by the Board (or any person or persons to whom the Employer has allocated authority to make such interpretations and findings of fact) are final and will not be subject to ~~"~~“de novo~~"~~” review unless shown to be arbitrary and capricious.

14.3 Action of the Sponsor

Any act authorized, permitted, or required to be taken by the Sponsor under the Plan, which has not been delegated in accordance with Section 14.1, may be taken by a majority of the members of the committee appointed to act on behalf of the Sponsor, either by vote at a meeting, or in writing without a meeting or by the employee or employees of the Sponsor designated by the committee to carry out such acts on behalf of the Sponsor. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Sponsor under the Plan shall be in writing and signed by either (i) a majority of the members of the committee appointed to act on behalf of the Sponsor, or by such member or members as may be designated by an instrument in writing, signed by all the members thereof, as having authority to execute such documents on its behalf, or (ii) the employee or employees of the Sponsor who have the authority to act on behalf of the Sponsor.

14.4 Claims Review Procedures

The claims procedures established by the Employer shall apply whenever a claim for benefits under the Plan is filed by any person or whenever a person seeks a remedy under any provision of the Code or other applicable law in connection with any error regarding his or her benefit under the Plan and such claim is denied, in whole or in part.

14.5 Exhaustion of Remedies

No civil action for benefits under the Plan shall be brought unless and until the aggrieved person has:

(a) submitted a timely claim for benefits in accordance with the provisions of the Plan;

(b) been notified by the Administrator that the claim has been denied (or such claim is deemed denied);

(c) filed a written request for a review of the claim denial in accordance with the review procedures established by the Employer; and

(d) been notified in writing of an adverse benefit determination on review.

14.6 Grounds for Judicial Review

Any civil action by an aggrieved person shall be based solely on the contentions advanced by the aggrieved person in the administrative review process and the judicial review will be limited to the Plan document and the record developed during the administrative review process.

14.7 Domestic Relations Orders

The Administrator shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p)(11) and regulations issued thereunder.

14.8 Indemnification

In addition to whatever rights of indemnification the members of the committee appointed to act on behalf of the Sponsor or any employee or employees to whom any power, authority, or responsibility is delegated pursuant to Section 14.1, may be entitled under the organizational authority, regulations, or bylaws of the Sponsor, under any provision of law, or under any other agreement, the Sponsor shall satisfy any liability actually and reasonably incurred by any such person or persons, including expenses, attorneys~~'~~’ fees, judgments, fines, and amounts paid in settlement (other than amounts paid in settlement not approved by the Sponsor), in connection with any threatened, pending, or completed action, suit, or proceeding which is related to the exercise or failure to exercise by such person or persons of any of the powers, authority, responsibilities, or discretion as provided under the Plan and the Funding Agreement, or reasonably believed by such person or persons to be provided thereunder, and any action taken by such person or persons in connection therewith, unless the same is judicially determined to be the result of such ~~person's~~person’s or persons~~'~~’ gross negligence or willful misconduct.

14.9 Actions Binding

Any action taken by the Sponsor which is authorized, permitted, or required under the Plan shall be final and binding upon the ~~Employers~~Employer, the Funding Agent, all persons who have or who claim an interest under the Plan, and all third parties dealing with the ~~Employers~~Employer or the Funding Agent.

ARTICLE XV
ADOPTION BY OTHER ENTITIES

15.1 Adoption by Town Entities

Any entity of the Town of Easton that is not an Employer may, with the consent of the Sponsor, adopt the Plan and become an Employer hereunder by causing an appropriate written instrument evidencing such adoption to be executed in accordance with the requirements of its organizational authority. Any such instrument shall specify the effective date of the adoption. Unless otherwise specified in the adoption instrument, for purposes of computing the Service and Average Annual Earnings of an Employee who is in the employ of the Employer on the effective date of the adoption, employment with and compensation from the Employer before the effective date of the adoption shall be treated as employment with and Earnings from an Employer. For purposes of computing the Credited Service of such an Employee, only employment with the Employer for periods on or after the effective date of the adoption shall be treated as employment with an Employer. Any Employer shall undertake to contribute its appropriate share, as determined by the Sponsor, of any contributions made to the Funding Agent hereunder. Notwithstanding the foregoing, however, any adoption of the Plan by an Employer shall be subject to the receipt of a determination from the Internal Revenue Service to the effect that with respect to such Employer the Plan meets the requirements for qualification under Code Section 401(a), and, should an adverse determination be issued by the Internal Revenue Service, the adoption of the Plan by said Employer shall be null and void and of no effect whatsoever.

15.2 Effective Plan Provisions

An Employer who adopts the Plan shall be bound by the provisions of the Plan in effect at the time of the adoption and as subsequently in effect because of any amendment to the Plan.

ARTICLE XVI
AMENDMENT & TERMINATION OF PLAN

16.1 ~~Sponsor's~~Sponsor’s Right of Amendment

The Sponsor reserves the right at any time and from time to time, by means of a written instrument executed in the name of the Sponsor by its duly authorized representatives, to amend or modify the Plan and, to the extent provided therein, to amend or modify the Funding Agreement. No pension or other benefit granted prior to the time of any amendment or modification of the Plan shall be reduced, suspended, or discontinued as a result thereof, except to the extent necessary to enable the Plan to meet the requirements for qualification under the Code or the requirements of any governmental authority. Moreover, no such action shall operate to recapture for the ~~Employers~~Employer any contributions made to the Pension Fund, except as provided in Section 13.4 or Section 16.6.

16.2 Termination of the Plan

The Sponsor reserves the right, by means of a written instrument executed in the name of the Sponsor by its duly authorized representatives, at any time to terminate the Plan. In the event of termination, no further benefits shall accrue, no further contributions shall be made, and all assets remaining in the Pension Fund, after provision has been made for payment of the expenses of administration and liquidation in connection with the termination, shall be allocated by the Funding Agent upon the advice of the Actuary, among the Participants and Beneficiaries of the Plan, in the following manner and order of precedence:

(a) First to that portion of a ~~Participant's or Beneficiary's~~Participant’s or Beneficiary’s Accrued Benefit that is derived from the ~~Participant's Post-Tax Contributions and/or~~Participant’s Pick-Up Contributions.

(b) In the case of benefits payable as an annuity,

(1) in the case of the benefit of a Participant or Beneficiary which was in pay status as of the beginning of the 3-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least; and

(2) in the case of a ~~Participant's or Beneficiary's~~Participant’s or Beneficiary’s benefit (other than a benefit described in subparagraph (1) of this paragraph) which would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of such 3-year period and if his or her benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such period, to each such benefit based on the provisions of the

Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

For purposes of subparagraph (1) of this paragraph, the lowest benefit in pay status during a 3-year period shall be considered the 3-year benefit in pay status for such period.

(c) Next,

(1) to Participants age 60 or over; and

(2) to Participants age 50 to 59; and

(3) to Participants age 45 to 54, inclusive; and

(4) to Participants under age 45.

Notwithstanding any other provision of the Plan to the contrary, other than Sections 16.3 through 16.5, the amount allocated to any Participant under this Section 16.2 shall be fully vested and nonforfeitable. The Sponsor shall furnish all information reasonably required for the purposes of making such allocations. The Funding Agent shall implement the allocations determined under this Section among the persons for whose benefit such allocations are made through distribution of the assets of the Pension Fund, through application of the amounts allocated to the purchase from an insurance company of immediate or deferred annuities, or through creation of one or more new funds for the purpose of distributing the assets of the Pension Fund (to the extent so allocated), or by a combination of the foregoing.

16.3 Adjustment of Allocation

The amount allocated under any paragraph of Section 16.2 with respect to any benefit shall be properly adjusted for any allocations of assets with respect to that benefit under a prior paragraph of Section 16.2.

16.4 Assets Insufficient for Allocation

If the assets available for allocation under any paragraph of Section 16.2 are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the date of termination of the Plan) of their respective benefits described in that paragraph.

16.5 Allocations Resulting in Discrimination

If the Secretary of the Treasury determines that the allocation made pursuant to this Article (without regard to this Section) results in discrimination prohibited by Code Section 401(a)(4), then the assets allocated under paragraphs (b) and (c) of Section 16.2 shall be reallocated to the extent necessary to prevent the disqualification of the Plan (or any trust or annuity contract under the Plan) under Code Section 401(a).

16.6 Residual Assets

Subject to the provisions of Section 16.8, any residual assets of the Plan shall be distributable to the ~~Employers~~Employer if:

(a) all liabilities of the Plan to Participants and their beneficiaries have been satisfied; and

(b) the distribution does not contravene any provision of law.

16.7 Payments by the Funding Agent

The Funding Agent shall make the payments specified in a written direction of the Sponsor in accordance with the provisions of Section 16.2 until the same shall be superseded by a further written direction. The obligation of the Funding Agent to make any payment hereunder in all events shall be limited to the amount of the Pension Fund at the time any such payment shall become due.

16.8 Residual Assets Distributable to the ~~Employers~~Employer

Upon written notice from the Sponsor that any residual assets of the Plan are distributable to the ~~Employers~~Employer in accordance with the provisions of Section 16.6, then the Funding Agent shall pay over such residual assets, or an amount equal to the fair market value of that portion of such residual assets which are not so paid, to the ~~Employers~~Employer; provided, however, that, under no circumstances or conditions other than as set forth in this Section 16.8 and in Section 13.4, shall any contribution of the ~~Employers~~Employer, or any portion of the proceeds or avails thereof, ever revert, be paid, or inure to the benefit, directly or indirectly, of the ~~Employers~~Employer or any Affiliated Company; nor shall any portion of the principal or the income from the Pension Fund ever be used for or diverted to any purpose other than for the exclusive benefit of Participants and persons claiming under or through them pursuant to the Plan.

16.9 Withdrawal of an Employer

Each Employer shall have the right to withdraw from the Plan by action in accordance with its organizational authority, and by filing with the Sponsor written notice thereof, in which event the Employer shall cease to be an Employer for purposes of the Plan. An Employer shall be deemed automatically to withdraw from the Plan in the event it completely discontinues contributions to the Plan.

If such withdrawal is for the purpose of establishing or merging with a separate plan which meets the requirements for qualification under applicable provisions of the Code, the portion of the assets of the Pension Fund which is applicable to the withdrawing Employer, as determined by the Sponsor upon the advice of the Actuary, on a fair and equitable basis, taking into account the contributions made by the Employer, benefit payments made with respect to its Employees and retired and former Employees, and other relevant factors, shall be transferred to and become a part of the trust fund or other financing medium maintained in connection with the separate plan, subject to the limitations on merger, consolidation, or transfers of Plan assets set forth in Section 17.5.

ARTICLE XVII
MISCELLANEOUS

17.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement on the part of any person to continue his or her employment with ~~his~~the Employer, or as a commitment on the part of ~~his~~the Employer to continue the employment, compensation, or benefits of any person for any period, and all employees of ~~an~~the Employer shall remain subject to discharge, layoff, or disciplinary action to the same extent as if the Plan had never been put into effect.

17.2 Claims of Other Persons

Nothing in the Plan or Funding Agreement shall be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right as against the ~~Employers~~Employer, their officers, employees, or directors, or as against the Funding Agent, except such rights as are specifically provided for in the Plan or Funding Agreement or hereafter created in accordance with the terms and provisions of the Plan.

17.3 Governing Law

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

17.4 Nonforfeitability of Benefits Upon Termination or Partial Termination

Notwithstanding any other provision of the Plan, in the event of the termination or a partial termination of the Plan, including the complete discontinuation of contributions to the Plan, the rights of all Employees who are affected by such termination to benefits accrued to the date of such termination, to the extent funded as of such date, shall be nonforfeitable.

17.5 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit ~~he~~the Participant would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

If another qualified plan merges or consolidates with the Plan, notwithstanding any other provision of the Plan to the contrary, the forms of payment and other provisions that were available with respect to benefits accrued immediately prior to the transfer or merger under such other qualified plan and that may not be eliminated under Code Section 411(d)(6) shall continue to be available under the Plan with respect to the benefit that the Participant would have received immediately prior to such merger, consolidation or transfer of assets or liabilities.

17.6 Funding Agreement

The Funding Agreement and the Pension Fund maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Funding Agreement are hereby incorporated by reference into the Plan.

17.7 Benefit Offsets for Overpayments

If ~~a Participant or Beneficiary receives benefits hereunder for any period in excess of the amount of benefits to which he was~~payment is made from the Plan to any individual to whom no payment should have been made or the amount paid to an individual exceeds the amount to which such individual is entitled under the ~~terms of~~Plan, the Plan ~~as in effect for such period, such~~has an equitable lien on the erroneous payment or the overpayment ~~shall be~~. The Administrator may correct the erroneous payment or the overpayment using any one or a combination of the following methods:

(a) ~~offset against current or future benefit payments, as applicable, until such time as~~The Administrator may offset, set off, or obtain restitution of all or any part of future payments from the Plan to the individual until the erroneous payment or the overpayment is entirely recouped by the Plan.

(b) The Administrator may request the individual to repay to the Plan the amount of the erroneous payment or the overpayment and, if repayment is not made voluntarily, take any action deemed by the Administrator to be reasonable and necessary to compel repayment, including, but not limited to, instituting legal proceedings against the individual.

(c) If permitted by the Sponsor, the Administrator may take any reasonable action, to make the Plan whole as to any erroneous payment or overpayment.

17.8 Special Rules Applicable to Participants on Military Leave

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

If a Participant who is absent from employment as an Employee because of military service dies after December 31, 2006, while performing qualified military service (as defined in Code Section 414(u)), the Participant shall be treated as having returned to employment as an Employee on the day immediately preceding his or her death for purposes of determining the ~~Participant's~~Participant’s vested interest in his or her Accrued Benefit and his ~~Beneficiary's~~or her

Beneficiary's eligibility for a survivor benefit under the Plan. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, such a Participant shall not be entitled to additional accruals with respect to his or her period of military leave.

A Participant whose death occurs after December 31, 2006, under the conditions described in the preceding paragraph shall also be treated as having returned to employment as an Employee on the day immediately preceding his or her death for purposes of determining ~~his~~ eligibility for and the amount of any additional accruals under this Section for his or her period of military leave. For this purpose, the Participant shall be treated as having terminated employment on his or her date of death. If the Employer or any Affiliated Company maintains other retirement programs, all employees covered under such other plans who die under similar conditions must be credited with service and benefits on reasonably equivalent terms.

ARTICLE XVIII
CODE SECTION 401(a)(9) COMPLIANCE

18.1 Definitions

For purposes of this Article the following terms have the following meanings.

(a) “**Actuarial gain**~~"~~” means the difference between an amount determined using the actuarial assumptions (i.e., investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the actuarial gain is determined.

(b) A ~~Participant's "~~Participant’s “**designated beneficiary**~~"~~” means the individual who is designated as the ~~Participant's~~Participant’s Beneficiary under the Plan and is the designated beneficiary under Code Section 401(a)(9) and Treasury Regulations Section 1.401(a)(9)-4.

(c) A ~~"~~“**distribution calendar year**~~"~~” means a calendar year for which a minimum distribution is required. For distributions beginning before the ~~Participant's~~Participant’s death, the first ~~"~~“distribution calendar year~~"~~” is the calendar year immediately preceding the calendar year which contains the ~~Participant's~~Participant’s Required Beginning Date. For distributions beginning after the ~~Participant's~~Participant’s death, the first ~~"~~“distribution calendar year~~"~~” is the calendar year in which distributions are required to begin under Section 18.6 or 18.19, as applicable.

(d) A ~~Participant's or Beneficiary's "~~Participant’s or Beneficiary’s “**life expectancy**~~"~~” means his or her life expectancy as computed by use of the Single Life Table in Treasury Regulations Section 1.401(a)(9)-9, Q&A 1.

18.2 Applicability

This Article is included solely to comply with final and temporary regulations issued under Code Section 401(a)(9). The provisions of this Article are intended to comply with the required commencement and minimum distribution rules applicable under the Code. Nothing hereunder is intended to postpone payments required under the terms of the Plan other than this Article or to create a form of payment or death benefit that is not otherwise provided under the terms of the Plan other than this Article.

18.3 Precedence

Except as otherwise provided above, the requirements of this Article will take precedence over any inconsistent provisions of the Plan; provided, however, that nothing in this Article shall operate to create a form of payment or death benefit not otherwise provided under the terms of the Plan other than this Article.

18.4 Requirements of Treasury Regulations Incorporated

All distributions required under this Article will be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9), including the incidental death benefit requirements of Code Section 401(a)(9)(G).

18.5 Commencement as of Required Beginning Date

A ~~Participant's~~Participant’s entire interest will be distributed, or begin to be distributed, to the Participant no later than the ~~Participant's~~Participant’s Required Beginning Date.

18.6 Death of Participant Before Distributions Begin

If a Participant dies before distributions begin, the ~~Participant's~~Participant’s entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the ~~Participant's~~Participant’s surviving Spouse is the ~~Participant's~~Participant’s sole ~~"~~“designated beneficiary~~"~~”, then, except as provided in Section 18.18, 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 72 (70 ½ for a Participant who reached that age before January 1~~/2~~, 2020), if later.

(b) If the ~~Participant's~~Participant’s surviving Spouse is not the ~~Participant's~~Participant’s sole ~~"~~“designated beneficiary~~"~~”, then, except as provided in Section 18.18, distributions to the ~~"~~“designated beneficiary~~"~~” will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

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

(d) If the ~~Participant's~~Participant’s surviving Spouse is the ~~Participant's~~Participant’s sole ~~"~~“designated beneficiary~~"~~” and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 18.6, other than Section 18.6(a), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 18.6 and Sections 18.13 through 18.15, distributions are considered to begin on the ~~Participant's~~Participant's Required Beginning Date (or, if Section 18.1(d) applies, the date distributions are required to begin to the surviving Spouse under Section 18.6(a)). If annuity payments irrevocably commence to a Participant before the ~~Participant's~~Participant's Required Beginning Date (or to the ~~Participant's~~Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 18.6(a)), the date distributions are considered to begin is the date distributions actually commence.

18.7 Form of Distribution

Unless a ~~Participant's~~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 Sections 18.8 through 18.16. If a ~~Participant's~~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.

18.8 General Annuity Requirements

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

(a) the annuity distributions will be paid in periodic payments made at intervals not longer than 1 year;

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 18.11 and 18.12 or Section 18.13, 18.14, or 18.15;

(c) 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;

(d) payments will either be nonincreasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the percentage increase in an eligible cost-of-living index (as described in paragraphs (b)(2), (3), or (4) of Treasury Regulations Section 1.401(a)(9)-6, Q&A-14) for a 12-month period ending in the year during which the increase occurs or a prior year;

(2) by a percentage increase that occurs at specified times and does not exceed the cumulative total annual percentage increases in an eligible cost-of-living index (as described in paragraphs (b)(2), (3), or (4) of Treasury Regulations Section 1.401(a)(9)-6, Q&A-14) since the Annuity Starting Date or, if later, the date of

the most recent percentage increase; provided that if a ~~Participant's~~Participant’s benefit is increased as provided herein, his or her benefit shall not be actuarially increased to reflect that increases were not provided in the interim years;

(3) by a constant percentage of less than 5% per year, applied not less frequently than annually;

(4) as a result of dividend or other payments that result from ~~"~~“actuarial gains~~"~~”, provided that:

(A) the ~~"~~“actuarial gain~~"~~” is measured not less frequently than annually;

(B) the resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity, beginning no later than the year following the year for which the actuarial experience is measured;

(C) the ~~"~~“actuarial gain~~"~~” taken into account is limited to ~~"~~“actuarial gain~~"~~” from investment experience;

(D) the assumed interest rate used to calculate such ~~"~~“actuarial gain~~"~~” is not less than 3%; and

(E) the annuity payments are not increased by a constant percentage as described in 18.8(d)(3) above;

(5) to the extent of the reduction in the amount of the ~~Participant's~~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 Sections 18.11 and 18.12 dies or is no longer the ~~Participant's~~Participant’s Beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p); or

(6) to provide a final payment upon the ~~Participant's~~Participant’s death not greater than the excess of the Actuarially Equivalent present value of the ~~Participant's~~Participant’s Accrued Benefit (within the meaning of Code Section 411(a)(7)) calculated as of the Annuity Starting Date using the ~~"~~“417(e) interest

rate~~"~~" and ~~"~~"applicable mortality table~~"~~", as those terms are defined in Section 12.1, over the total payments before the ~~Participant's~~Participant's death;

(7) to allow a Beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the ~~Participant's~~Participant's death; or

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

18.9 Amount Required to be Distributed by Required Beginning Date

The amount that must be distributed on or before a ~~Participant's~~Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 18.6(a) or 18.6(b)) 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~~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~~Participant's Required Beginning Date.

18.10 Additional Accruals After First Distribution Calendar Year

Any additional benefits accruing to a 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.

18.11 Joint Life Annuities Where the Beneficiary Is Not the ~~Participant's~~Participant's Spouse

If a ~~Participant's~~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~~Participant's Required Beginning Date to the ~~"~~"designated beneficiary~~"~~" after the ~~Participant's~~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 Treasury Regulations Section 1.401(a)(9)-6, Q&A-2(c)(2), in the manner described in Treasury Regulations Section 1.401(a)(9)-6, Q&A2(c)(1). 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.

18.12 Period Certain Annuities

Unless the ~~Participant's~~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~~Participant’s lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulations Section 1.401(a)(9)-9, Q&A 2 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A 2 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the ~~Participant's~~Participant’s birthday in the year that contains the Annuity Starting Date. If the ~~Participant's~~Participant’s Spouse is the ~~Participant's~~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~~Participant’s applicable distribution period, as determined under this Section, or the joint life and last survivor expectancy of the Participant and the ~~Participant's~~Participant’s Spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulations Section 1.401(a)(9)-9, Q&A 3, using the ~~Participant's and Spouse's~~Participant’s and Spouse’s attained ages as of the ~~Participant's and Spouse's~~Participant’s and Spouse’s birthdays in the calendar year that contains the Annuity Starting Date.

18.13 Participant Survived by Designated Beneficiary

Except as provided in Section 18.18, if a Participant dies before the date distribution of his or her interest begins and there is a ~~"~~“designated beneficiary~~"~~”, the ~~Participant's~~Participant’s entire interest will be distributed, beginning no later than the time described in Section 18.6(a) or 18.6(b), over the life of the ~~"~~“designated beneficiary~~"~~” or over a period certain not exceeding:

(a) unless the Annuity Starting Date is before the first ~~"~~“distribution calendar year~~"~~”, the ~~"~~“life expectancy~~"~~” of the ~~"~~“designated beneficiary~~"~~” determined using the ~~Beneficiary's~~Beneficiary’s age as of the ~~Beneficiary's~~Beneficiary’s birthday in the calendar year immediately following the calendar year of the ~~Participant's~~Participant’s death, reduced by 1 for each calendar year that has elapsed after the calendar year of the ~~Participant's~~Participant’s death; or

(b) if the Annuity Starting Date is before the first ~~"~~“distribution calendar year~~"~~”, the ~~"~~“life expectancy~~"~~” of the ~~"~~“designated beneficiary~~"~~” determined using the ~~Beneficiary's~~Beneficiary’s age as of the ~~Beneficiary's~~Beneficiary’s birthday in the calendar year that contains the Annuity Starting Date.

18.14 No Designated Beneficiary

If a 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~~Participant’s death, distribution of the ~~Participant's~~Participant’s entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the ~~Participant's~~Participant’s death.

18.15 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin

If a Participant dies before the date distribution of his or her interest begins, the ~~Participant's~~Participant’s surviving Spouse is the ~~Participant's~~Participant’s sole ~~"~~“designated beneficiary~~"~~”, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 18.15 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 18.6(a).

18.16 Change to Annuity Payout Period

The period over which an annuity is to be paid out may not be changed except as follows:

(a) The annuity payout period may be changed in association with an increase in the annuity payment described in Section 18.8(d).

(b) The annuity payout period may be changed and payments modified if all of the following requirements are satisfied:

(1) any of the following applies:

(A) the modification occurs when the Participant retires or in connection with the ~~Plan's~~Plan’s termination; or

(B) the payment period prior to modification is a period certain without life contingencies; or

(C) annuity payments after the modification are paid under a qualified joint and survivor annuity, as defined in Code Section 417(b), the ~~Participant's~~Participant’s Spouse is the sole ~~"~~“designated beneficiary~~"~~”, and the modification occurs in connection with the Participant marrying such Spouse.

(2) future payments after the modification satisfy the requirements of Code Section 401(a)(9), regulations issued thereunder, and this Article, determined by treating the date of the change as a new Annuity Starting Date and the Actuarially Equivalent present value of the remaining payments prior to modification as the entire interest of the Participant;

(3) the modification is treated as a new Annuity Starting Date for purposes of Code Sections 415 and 417;

(4) the annuity, including all past and future payments, satisfies the requirements of Code Section 415 determined as of the original Annuity Starting Date, using the

interest rates and mortality tables in effect on such date, but taking into account the modification; and

(5) any period certain provided under the modified payment does not end later than the date a period certain would have been required to end under Code Section 401(a)(9) and this Article, determined as of the original Annuity Starting Date.

18.17 Payments to a Surviving Child

For purposes of this Article, payments made to a ~~Participant's~~Participant’s surviving child before the child reaches the age of majority (or dies, if earlier) shall be treated as if such payments were made to the ~~Participant's~~Participant’s surviving Spouse to the extent the payments become payable to the surviving Spouse upon cessation of payments to the child. For purposes of this Section, a child shall be treated as not having reached the age of majority if the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled shall be treated as not having reached the age of majority so long as the child continues to be disabled.

18.18 5-Year Rule Applicable to Certain Distributions to Designated Beneficiaries

If a Participant dies before distributions begin, there is a ~~"~~“designated beneficiary~~"~~”, and the benefit payable to such ~~"~~“designated beneficiary~~"~~” is to be made in a lump sum pursuant to the cashout provisions of Section 11.5 of the Plan, distribution to the ~~"~~“designated beneficiary~~"~~” is not required to begin by the date specified in Section 18.6, but the ~~Participant's~~Participant’s entire interest will be distributed to the ~~"~~“designated beneficiary~~"~~” by December 31 of the calendar year containing the fifth anniversary of the ~~Participant's~~Participant’s death.

18.19 Death of Participant After Distributions Begin

If a Participant dies after distributions begin, the ~~Participant's~~Participant’s remaining interest, if any, will be distributed at least as rapidly as under the form of distribution in effect on the date of the ~~Participant's~~Participant’s death.

* * *

~~**18.20 Definition of Spouse**~~

~~Notwithstanding any other provision of the Plan to the contrary, for purposes of this Article, a Participant's "Spouse" must also qualify as a spouse under Federal law.~~

EXECUTED AT __________________, _________, this ________ day of ____________________, ______.

TOWN OF EASTON, MARYLAND

By: _______________________________________

Title:

~~TOWN OF EASTON, MARYLAND~~

~~By:~~ ____________________________

~~Title:~~

IMPORTANT NOTE

Prudential Retirement Insurance and Annuity Company, its contractors, and any employees of Prudential Retirement Insurance and Annuity Company or its contractors cannot provide you with legal advice in connection with the execution of this document. Prior to execution of this document, you should consult your attorney on whether this document is appropriate for you.

~~ADDENDUM~~
~~DIVISION A~~

~~1.1~~ **~~Plan Definitions~~**

~~(hh)~~ ~~A Division A Participant's "**Normal Retirement Date**" for purposes of benefit eligibility means the following:~~

~~(1)~~ ~~with respect to any Employee who became a Participant prior to August 1, 1988, the date he attains age 60; and~~

~~(2)~~ ~~with respect to any Employee who became a Participant on or after August 1, 1988, the later of (i) the date on which he attains age 60 or (ii) the fifth anniversary of his "participation commencement date". An Employee's "participation commencement date" means the first day of the Plan Year in which he first commences participation in the Plan.~~

~~5.2~~ **~~Amount of Normal Retirement Benefit~~**

~~Effective December 2, 1996, but with respect only to Division A Participants who retire or otherwise terminate employment on or after that date, an eligible Division A Participant's monthly normal retirement benefit shall be equal to 1/12th of the amount in (a) below, plus the amount in (b) and (c), if applicable:~~

~~(a)~~ ~~1.4% of the Participant's Average Annual Earnings multiplied by the number of his years of Credited Service (up to a maximum of 25 years) plus .45% of his Average Annual Earnings in excess of Covered Compensation multiplied by the number of his years of Credited Service (up to a maximum of 25 years).~~

~~In determining the amount payable under this paragraph (a) with respect to a Participant other than a Sworn Police Officer, only Credited Service earned prior to July 1, 2008 shall be taken into account.~~

~~(b)~~ ~~With respect to a Participant who has Accumulated Post-Tax Contributions, on his Annuity Starting Date such Participant may elect either of the following:~~

~~(1)~~ ~~to receive an additional amount of retirement income equal to the amount which can be provided by such Participant's Accumulated Post-Tax Contributions, as determined in accordance with rates as adopted by the Employer, or~~

~~(2)~~ ~~to receive a lump sum refund in an amount equal to his Accumulated Post-Tax Contributions.~~

~~The terms of the Plan, which provide for a refund to the Participant's Beneficiary upon the Participant's death, shall have no force and effect with respect to a Participant who receives a cash refund as described in (2) above.~~

~~(c)~~ ~~A Participant who retires from active employment under the early retirement provisions of the Plan or on or after his Normal Retirement Date but before he attains age 62 will be eligible for a Special Supplementary Benefit beginning on his Normal Retirement Date and continuing until he attains age 62. The yearly amount of such Special Supplementary Benefit will be equal to his Social Security Amount (the yearly Primary Insurance Amount for which the Participant is determined to be eligible at age 62 under the Social Security Act as in effect on his Normal Retirement Date or the date his Service ceases, if earlier).~~

~~In no event will a Participant's monthly normal retirement benefit determined under this Section 5.2 be less than the greater of:~~

~~(d)~~ ~~the Participant's Accrued Benefit as of December 1, 1996, determined in accordance with the terms of the Plan as in effect on December 1, 1996; or~~

~~(e)~~ ~~the Participant's Accrued Benefit as of June 30, 2008, determined in accordance with the terms of the Plan as in effect on June 30, 2008.~~

~~In no event will a reduction in Average Annual Earnings cause the retirement income determined for a Participant on his Normal Retirement Date to be less than the highest amount of retirement income the Participant would have received on the same form of payment had his service ceased at any time prior to his Normal Retirement Date when he was eligible to receive an immediate retirement income.~~

~~7.1~~ ~~Vesting~~

~~A Division A Participant's vested interest in his Accrued Benefit shall be determined in accordance with the following schedule:~~

~~Years of Service~~	~~Vested Percentage~~
~~fewer than 5~~	~~0%~~
~~5 or more~~	~~100%~~

~~ADDENDUM~~
~~DIVISION B~~

~~1.1 Plan Definitions~~

~~(hh) A Division B Participant's "**Normal Retirement Date**" for benefit eligibility purposes, means the following: (1) prior to January 1, 2002, the day on which the Participant's attained age and hypothetical years of Service equal 80; or (2) effective January 1, 2002, the day on which the Participant's hypothetical years of Service equal 25.~~

~~5.2 Amount of Normal Retirement Benefit~~

~~Effective March 1, 1995, but with respect only to Participants who retire, die, or otherwise terminate their employment on or after that date, the monthly normal retirement benefit payable to a Division B Participant who retires on or after his Normal Retirement Date is equal to the greater of the amount determined in (a) below or the minimum retirement benefit described in Section 5.3 plus the amount in (b), if applicable.~~

~~(a) 50% of the Participant's Average Annual Earnings multiplied by the ratio that the Participant's full and fractional years of Credited Service up to a maximum of 25 years bears to 25.~~

~~Provided, however, that the 50% will be increased by 1% (with a maximum of 55%) for each year of Credited Service in excess of 25 years with a total maximum of 30 years of Credited Service.~~

~~(b) With respect to a Participant who has Accumulated Post-Tax Contributions, on his Retirement Date, such Participant may elect either of the following:~~

~~(1) to receive an additional amount of retirement income equal to the amount which can be provided by such Participant's Accumulated Post-Tax Contributions, as determined in accordance with rates as adopted by the Employer, or~~

~~(2) to receive a lump sum refund in an amount equal to his Accumulated Post-Tax Contributions.~~

~~The terms of the Plan, which provide for a refund to the Participant's Beneficiary upon the Participant's death, shall have no force and effect with respect to a Participant who receives a cash refund as described in (2) above.~~

~~In no event will a reduction in Average Annual Earnings cause the retirement income determined for a Participant on his Normal Retirement Date to be less than the highest amount of retirement income the Participant would have received on the same form of payment had his Service ceased~~

~~at any time prior to his Normal Retirement Date when he was eligible to receive an immediate retirement income.~~

~~Provided that the Special Supplementary Benefit will not be applicable to Division B Employees.~~

~~**7.1 Vesting**~~

~~A Division B Participant's vested interest in his Accrued Benefit shall be determined in accordance with the following schedule:~~

~~**Years of Service**~~	~~**Vested Percentage**~~
~~fewer than 1~~	~~0%~~
~~1 or more~~	~~100%~~

ADDENDUM
ADJUSTMENT FACTORS

Early Commencement Reduction Factors

Number of Years and Months from Annuity Starting Date
to Normal Retirement Date

Months:	0 Years	1 Year	2 Years	3 Years	4 Years	5 Years
0		94.0%	88.0%	82.0%	76.0%	70.0%
1	99.5%	93.5%	87.5%	81.5%	75.5%	69.1%
2	99.0%	93.0%	87.0%	81.0%	75.0%	69.4%
3	98.5%	92.5%	86.5%	80.5%	74.5%	69.7%
4	98.0%	92.0%	86.0%	80.0%	74.0%	68.8%
5	97.5%	91.5%	85.5%	79.5%	73.5%	68.5%
6	97.0%	91.0%	85.0%	79.0%	73.0%	68.2%
7	96.5%	90.5%	84.5%	78.5%	72.5%	67.9%
8	96.0%	90.0%	84.0%	78.0%	72.0%	67.6%
9	95.5%	89.5%	83.5%	77.5%	71.5%	67.3%
10	95.0%	89.0%	83.0%	77.0%	71.0%	67.0%
11	94.5%	88.5%	82.5%	76.5%	70.5%	66.7%

Number of Years and Months from Annuity Starting Date
to Normal Retirement Date

Months:	6 Years	7 Years	8 Years	9 Years	10 Years
0	66.4%	62.8%	59.2%	55.6%	52.0%
1	66.1%	62.5%	58.9%	55.3%	
2	65.8%	62.2%	58.6%	55.0%	
3	65.5%	61.9%	58.3%	54.7%	
4	65.2%	61.6%	58.0%	54.4%	
5	64.9%	61.3%	57.7%	54.1%	
6	64.6%	61.0%	57.4%	53.8%	
7	64.3%	60.7%	57.1%	53.5%	
8	64.0%	60.4%	56.8%	53.2%	
9	63.7%	60.1%	56.5%	52.9%	
10	63.4%	59.8%	56.2%	52.6%	
11	63.1%	59.5%	55.9%	52.3%	

Late Commencement Adjustment Factors

Number of Years and Months from Normal Retirement Date
to Annuity Starting Date

Months:	0 Years	1 Year	2 Years	3 Years	4 Years	5 Years
0		107.2%	115.6%	125.2%	136.0%	148.0%
1	100.6%	107.9%	116.4%	126.1%	137.0%	149.1%
2	101.2%	108.6%	117.2%	127.0%	138.0%	150.2%
3	101.8%	109.3%	118.0%	127.9%	139.0%	151.3%
4	102.4%	110.0%	118.8%	128.8%	140.0%	152.4%
5	103.0%	110.7%	119.6%	129.7%	141.0%	153.5%
6	103.6%	111.4%	120.4%	130.6%	142.0%	154.6%
7	104.2%	112.1%	121.2%	131.5%	143.0%	155.7%
8	104.8%	112.8%	122.0%	132.4%	144.0%	156.8%
9	105.4%	113.5%	122.8%	133.3%	145.0%	157.9%
10	106.0%	114.2%	123.6%	134.2%	146.0%	159.0%
11	106.6%	114.9%	124.4%	135.1%	147.0%	160.1%

Number of Years and Months from Normal Retirement Date
to Annuity Starting Date

Months:	6 Years	7 Years	8 Years	9 Years	10 Years
0	161.2%	175.6%	191.2%	208.0%	226.0%
1	162.4%	176.9%	192.6%	209.5%	
2	163.6%	178.2%	194.0%	211.0%	
3	164.8%	179.5%	195.4%	212.5%	
4	166.0%	180.8%	196.8%	214.0%	
5	167.2%	182.1%	198.2%	215.5%	
6	168.4%	183.4%	199.6%	217.0%	
7	169.6%	184.7%	201.0%	281.5%	
8	170.8%	186.0%	202.4%	220.0%	
9	172.0%	187.3%	203.8%	221.5%	
10	173.2%	188.6%	205.2%	223.0%	
11	174.4%	189.9%	206.6%	224.5%	

~~**ADDENDUM**~~
~~**PRIOR PLAN CONTRIBUTIONS**~~

~~**THE TOWN OF EASTON COMMISSION:**~~

~~**Name**~~	~~**Prior Plan Contributions**~~
~~Howard C. Allen~~	~~38.50~~
~~Milton R. Chance, Jr.~~	~~609.00~~
~~Kenneth L. Copper~~	~~539.00~~
~~John E. Davidson~~	~~222.00~~
~~Janet R. Decoy~~	~~735.50~~
~~Bonita Eaton Stafford~~	~~35.00~~
~~Ernest E. Fisher, Jr.~~	~~1,194.50~~
~~Thomas S. Gay~~	~~168.50~~
~~Roger C. Judd~~	~~2,811.00~~
~~Richard S. Lang ell~~	~~159.00~~
~~Chas. Ronald Lora~~	~~944.50~~
~~James A. Mansfield~~	~~263.50~~
~~George E. Neal~~	~~1,253.50~~
~~Thomas D. Piper~~	~~1,182.50~~
~~Jane B. Schultz~~	~~426.00~~
~~Robert S. Stanton~~	~~153.50~~
~~Daniel G. Arrant~~	~~73.50~~
~~George W. Taylor~~	~~2,284.00~~
~~Chester E. Thomas~~	~~337.50~~
~~Wm. J. Vowel, Jr.~~	~~712.00~~
~~C.H. Waveland IV~~	~~713.50~~
~~Guy S. Willey~~	~~1,412.00~~

~~**TOWN OF EASTON:**~~

~~**Name**~~	~~**Prior Plan Contributions**~~
~~Bonnie B. Brewer~~	~~27.00~~
~~Francis R. Brooks~~	~~723.00~~
~~Walter E. Chase~~	~~89.60~~
~~William K. Chase~~	~~135.00~~
~~Larry Emory~~	~~24.00~~
~~James M. Flaherty, Jr.~~	~~43.52~~
~~Noah S. Frazier, Sr.~~	~~1,329.00~~
~~Noah S. Frazier, Jr.~~	~~555.00~~
~~Clarence E. Freeman~~	~~720.00~~
~~Oliver A. Freeman~~	~~350.00~~
~~Robert S. Lankford~~	~~115.92~~
~~Elmer J. Larmor~~	~~222.00~~
~~William R. Leather berry~~	~~341.04~~
~~Lee C. Lucas~~	~~89.70~~
~~William S. McDaniel~~	~~110.88~~
~~Melvin E. Marshall, Sr.~~	~~190.53~~
~~Robert F. Potter~~	~~727.00~~
~~Geraldine B. Saunders~~	~~438.00~~
~~Elizabeth J. Taylor~~	~~496.86~~
~~Lardier G. Walker~~	~~127.68~~
~~Aisle W. Warner~~	~~612.00~~

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Intelligent Table Comparison: Active	
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Modified filename: 00017529-2021 Restatement 4830-4418-1757 v.5.docx	
Changes:	
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Move To	62
Table Insert	4
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~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	3134

Summary Plan Description
for
Town of Easton, Maryland Employees' Pension Plan

~~August 2013~~
~~Division B Sworn Officers – Pick-up Provisions~~

August 2021
Division B Sworn Officers – Pick-up Provisions

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Introduction

<u>To our employees:</u>

The Town of Easton~~, Maryland~~ is pleased to present you with this booklet which summarizes our pension Plan. Along with Social Security and your own financial resources, this Plan will help you enjoy a comfortable and secure retirement.

While we have attempted to highlight the most important features of the Plan, please bear in mind that the actual Plan document, which is available for your inspection, is the last word in any matters of decision or interpretation.

We appreciate your loyalty and dedication and want this Plan to be a meaningful part of your retirement finances. As such, we continually review the Plan's provisions to recognize changes in plan design or to conform with government regulations. You will be informed of any such developments.

We urge you to read this booklet carefully for a better understanding of the benefits that are available to you at retirement. This description summarizes the Plan in effect on August 1, ~~2013~~2021 and updates and replaces any prior descriptions. The provisions of this booklet are specific to Sworn Officers who are covered under the ~~Pick Up~~Pick-Up provisions which were added to the Plan on March 1, 1995.

Please remember, however, that this information is only an *overview* of the Plan's important provisions. Full details can be found in the legal Plan document which is available for your review in the Human Resources Office during regular business hours. You should consult the Plan document itself if you have any questions about the Plan or your Plan Benefits that are not answered by this booklet.

If you would like your own copy of the Plan document, you may obtain a copy by writing to the Plan Administrator whose location is listed in this booklet's section entitled "*Getting Your Questions Answered*". There may be a small charge for this service.

Effective Date

The Town of Easton, Maryland Employees' Pension Plan was established on August 1, 1973, and most recently revised on August 1, ~~2013~~2021 to reflect all current legislation.

~~Pick Up~~Pick-Up Provisions

On March 1, 1995, the Plan was amended to require you to make Participant's Contributions. These contributions will be deducted from your pay on a pre-tax basis. This type of contribution is commonly referred to as "picked-up" or Participant's ~~Pick Up~~Pick-Up Contributions.

Plan Year

The Plan Year is the 12~~-~~ month period beginning on August 1 each year and ending on July 31.

Participation

If you were a Plan Participant on the day before August 1, ~~2013~~2021, you will continue to be a Participant in the revised Plan.

If you are a Sworn Officer, you are required to participate in the Plan, as a condition of employment and will automatically become a Participant in the Plan on the day when you first become an employee.

~~Participant~~Pick-Up Contributions

~~Participant~~Pick-Up Contributions are based on your Earnings. For the first ~~25~~22 years of Service, the rate of your contribution is ~~5.7~~7.2% of your Earnings. Thereafter, the rate at which you will contribute is ~~6.7~~8.2% of your Earnings.

~~These~~Pick-Up Contributions are "picked-up" by your Employer ~~for every Participant covered under the Plan. Such "pick-up" of employee contributions by your Employer is~~ in accordance with the provisions of section 414(h)(2) of the Internal Revenue Code~~,~~ and ~~such "picked-up" contributions are~~ treated as pre-tax employer contributions.

This treatment affords two advantages to you as a Participant:

- ~~-~~these contributions will not be subject to taxation until they are withdrawn from the Plan when you retire.
- since your total income will be usually be lower in your retirement years, the taxes you ultimately pay on this portion of your retirement income will be less than it would have been if you paid taxes on the contributions during your working years.

You will no longer be required to contribute after the earliest of:

- your Severance from Service date
- your Normal Retirement Date
- the date you complete 30 years of Service.

The balance needed for your retirement income is contributed by your Employer.

Your Service

Your years of employment with the Town of Easton or the Easton Utilities Commission count as Service. You earn Service based on the number of whole years and full months you are employed.

The following counts as Service:

1. ~~1.~~ Absence after your Service ends if you return to work within a year.

2. ~~2.~~ An authorized leave of absence up to two years, if you return to employment when your leave is over. (If you don't return, Service won't be counted after the first 12 months of leave.)

3. ~~3.~~ Absence because of sickness, disability, layoff, etc. (If you don't return within 12 months, Service won't be counted after the first 12 months.)

4. ~~4.~~ Periods of time you are absent from work because of service with the armed forces of the United States. However, you will receive credit for these periods of time only if you are eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and return to work for your Employer within the period during which you retain such reemployment rights.

5. ~~5.~~ A leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Service will be credited to the extent required by the provisions of the Family and Medical Leave Act.

6. A maternity/paternity absence up to two years because of pregnancy and the birth of a child or the adoption and placement of a child.

Your Credited Service

Credited Service is the portion of your employment with Town of Easton as a Sworn Police Officer, count as Service that is used in calculating the *amount* of your benefit. The amount of your Credited Service may differ from your Service.

How You Earn Credited Service

Credited Service consists of the whole years and full months (partial months are disregarded except for purposes of aggregating your Credited Service if you are reemployed) you have been employed, regardless of the number of hours worked.

Credited Service includes all periods of employment except the following:

- ~~•~~ Periods of employment in excess of 30 years of Credited Service.

- ~~•~~ Periods of employment while you are in a job classification that is not covered by the Plan.

- ~~•~~ Periods of employment while you are disabled.

Absences That Qualify As Credited Service

Absences which qualify as Service (see the information under the heading "*Your Service*") do *not* count as Credited Service, unless you are absent for any of the following reasons:

- ~~•~~ Absence without termination of up to 12 months.

- ~~•~~ Absence because of military service if you return to employment while your reemployment rights are protected under federal law.

What Happens If You Terminate Employment And Are Rehired?

If you leave employment *before you are vested* and are later rehired, your Service before your Severance from Service Date won't count.

If you leave employment *after you are vested* and you are later rehired, your prior years of Service and years of Service after the break will be added together.

Your Severance from Service Date is the first day of the month on or following the earliest of:

1. ~~1.~~ the date you quit, are discharged, retire or die,

2. ~~2.~~ the first anniversary of the date your leave of absence started if you do not return to work by the second anniversary of that date,

3. ~~3.~~ the first anniversary of the date you are absent for most other reasons, such as vacation or lay-off,

4. ~~4.~~ the second anniversary of the date on which the Employee is first absent from service for maternity or paternity leave, as described above.

If you become disabled while actively employed, and you are either eligible for benefits from your Employer's disability program, or are being paid under a salary continuation program, you will continue to receive Service for vesting while you are collecting these disability benefits.

Your Earnings

Earnings Defined

The term "Earnings" means your wages received from the Town of Easton and reported to you for federal income tax purposes on your Form W-2. Earnings also include contributions made on your behalf under salary deferral arrangements.

If you have a severance of employment with the Town of Easton, Earnings does not include amounts received by you following such severance of employment unless such amounts are paid to you as differential pay. For purposes of this paragraph, "differential pay" means any payment made to you by the Town of Easton for periods during which you are performing military service while on active duty for a period of more than 30 days, but only to the extent such amounts do not exceed the amounts you would have received if you had continued in employment with the Town of Easton.

Measuring Earnings

- *Earnings Limitation*. ~~The~~ If you became a participant in the Plan on or after July 31, 1995, the yearly amount of Earnings that may be used in determining your Plan Benefit cannot exceed the annual limit imposed by the federal government. This limit was increased effective for Plan Years beginning on and after ~~January~~August 1, 2002 to $200,000, adjusted for cost of living. The adjusted annual limit for Earnings in ~~2013~~2021 is $~~255,000~~290,000. The annual limit ~~applicable to your Earnings for years~~for Plan Years beginning before ~~the effective date of the increase~~August 1, 2002 is $200,000.

- Earnings are measured over calendar years.

Your Average Annual Earnings

The term "Average Annual Earnings" means your highest annual Earnings received during any 5 consecutive years in the last 10 years before the earlier of your retirement date or the date you leave employment.

If you have received Earnings for 5 or fewer consecutive calendar years, the annual average is taken by using the consecutive calendar years that are available.

However, the following calendar years will be excluded when determining your Average Annual Earnings:

- Calendar years in which you terminate employment, if that would result in a higher average.

- Calendar years in which you perform services for fewer than six months.

Your Age At Which Payments Begin

Obviously, the age at which you choose to retire and begin receiving your benefit affects the amount of Service and Credited Service you earn and the period of time over which your benefit will be paid.

Normal Retirement Date

~~On and after January~~If you terminate or retire before July 1, ~~2002~~2017, your Normal Retirement Date is the date on which your years of Service equal 25. If you terminate or retire on or after July 1, 2017, your Normal Retirement Date is the date on which your years of Service equal 22.

If you retire on your Normal Retirement Date, your retirement income will begin on the first day of the month on or after that date. As an alternative, you may remain employed beyond your Normal Retirement Date and retire on a Late Retirement Date.

Late Retirement Date

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date.

How Your Plan Benefit Is Calculated

Your benefit is calculated in terms of the retirement date options that are offered under the Plan.

Normal Retirement Date

If you retire on your Normal Retirement Date, your benefit payments will begin on the first day of the month which coincides with or follows that date.

~~Your~~Effective July 1, 2017, your monthly Normal Retirement Benefit is calculated as follows:

1) 50% of your Average Annual Earnings

   multiplied by

   the ratio that your full and fractional years of Credited Service up to a maximum of ~~25~~22 bears to ~~25~~22.

~~2)~~ 2) Provided however, that this 50% will be increased by ~~1~~1.66% (maximum 55%) for each year of Credited Service in excess of ~~25~~22 years with a total maximum ~~or 30 Years~~of 25 years of Credited Service.

~~In addition to the benefit described above, if you had accumulated Participant's Post Tax Contributions (required contributions made prior to July 31, 1973), you will be able to elect prior to your retirement date one of the following settlements for your Participant's Post Tax Contributions.~~

~~1. to receive an additional amount of retirement income which can be provided by these Participant's Post Tax Contributions with interest, or~~

~~2. to receive a lump sum refund in an amount equal to your Participant's Post Tax Contributions with interest.~~

Minimum Benefit

At a minimum, you will receive a benefit equal to the greater of your accrued benefit or the amount that can be provided by your required ~~employee contributions~~Pick-Up Contributions.

Late Retirement Date

In general, Late Retirement Benefit payments must begin no later than the April 1 following the later of the year you reach age 70 1/2 or the year you retire.

Your monthly Late Retirement Benefit will be calculated using your Credited Service (up to ~~30~~25 years) and Earnings to the date you actually retire.

When You Terminate Employment

If you terminate before your Normal Retirement Date and you have ~~one or more~~the required number of years of Service, you will be 100% vested~~ and therefore~~. The required number of years of Service is:

- if you were hired before July 1, 2017, one year of Service, or
- if you were hired on or after July 1, 2017, 5 years of Service.

If you are 100% vested, you will be eligible for a retirement income based on your years of Credited Service. This retirement income is called your "vested benefit," and will begin on the first day of the month on or after your Normal Retirement Date.

In addition, you will always be 100% vested in your ~~Participant's Post Tax Contributions (if any) and your Pick Up~~required Pick-Up Contributions.

~~If you were a Plan Participant before July 31, 1973, the following special rules shall apply to the amount of required Participant's Post Tax Contributions you had made to the Plan. Upon termination of employment, you may either:~~

~~1. elect to receive a cash refund of your total Participant's Post Tax Contributions with credited interest as provided in the Plan; or~~

~~2. leave your total Participant's Post Tax Contributions in the Plan to provide additional retirement income beginning on the first day of the month on or after your Normal Retirement Date.~~

The following special rules apply to the amount of your required Participant's ~~Pick Up~~Pick-Up Contributions. Upon termination of employment, you may either:

1. ~~1.~~ elect to receive a cash refund of your total required Participant's ~~Pick Up~~Pick-Up Contributions, with credited interest as provided in the Plan; or

2. leave your required Participant's ~~Pick Up~~Pick-Up Contributions in the Plan to provide a retirement income beginning on the first day of the month on or after your Normal Retirement Date

If you choose Option 1 (elect to receive a cash refund of your Participant's ~~Pick Up~~Pick-Up Contributions), you will lose all retirement income.

If you choose Option 2 (leave your Participant's ~~Pick Up~~Pick-Up Contributions in the Plan), you will receive your vested benefit as described above.

If you are later re-employed and had elected Option 1, you may return your cash refund plus 5% interest and have your years of Credited Service before termination reinstated. Your repayment must be made before the later of:

- the end of a period of 5 consecutive one-year breaks-in-service (beginning on the date you received your cash refund), or

- the fifth anniversary of your reemployment date.

Payment of Your Vested Plan Benefit

Unless your vested benefit is cashed out as described in "*Cashouts*" below, it will be paid beginning on your Normal Retirement Date.

Cashouts

If the present value of your benefit is greater than $5,000, payment of your vested benefit will begin on your Normal Retirement Date. If it is less than $5,000, it will be paid out in a single sum cash payment (see "*Single Sum Cash Payment*" below) as soon as administratively practicable following your termination of employment.

Single Sum Cash Payment

When The Value Of Your Plan Benefit Is $5,000 Or Less

If the value of your vested benefit is $5,000 or less, your vested benefit may be paid in a single sum cash payment at the time your employment terminates. The single sum payment will be equal to the full value of your vested benefit at that time. You cannot elect another form of payment. Please refer to the section "*Direct Rollover Distributions*" for important information regarding single sum cash payments.

Similarly, if the value of the benefit payable to your spouse or other beneficiary after your death is $5,000 or less, payment may be made in a single sum cash payment.

Election to Receive Single Sum Cash Payments

If the value of your vested benefit is $5,000 or less, you will be given the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election and the present value of your vested benefit is $1,000 or less, a single sum cash payment will be made directly to you, whether or not you elect to receive such payment. If you do not make an election and the present value of your vested benefit is more than $1,000, your vested benefit will continue to be held under the Plan until either (i) you affirmatively elect to receive distribution or (ii) you reach the later of age 62 or your Normal Retirement Date.

Tax Treatment

If you terminate employment and receive a single sum cash payment of your benefit, your benefit may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will *not* apply to ~~taxable~~ benefit payments that are:

- • Made after you reach age 59 1/2 or
- • Made to your beneficiary when you die or
- • Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return or
- • Made under the terms of a domestic relations order.

You will be provided with information regarding the tax consequences of your distribution, when it is made. However, you should consult your own tax advisor for more complete information regarding your own situation. For the most current tax information, pick up a free copy of IRS Publication 575 "Pension and Annuity Income" at your local IRS office.

Direct Rollover Distributions

If you receive your benefit in a single sum cash payment, you may choose to have all or part of such payment rolled over to another qualified plan that accepts rollovers, a tax-sheltered annuity under Code Section 403(b) that accepts rollovers, a deferred compensation plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or to an IRA (including a Roth IRA). The portion of your benefit that is directly rolled over will be exempt from the mandatory 20% tax withholding rules that are otherwise applicable to single sum cash payments.

If your spouse or other beneficiary receives payment of a benefit in a single sum, he or she may also be eligible to have all or part of such payment directly rolled over to another eligible plan or IRA. Generally, your spouse ~~(as defined under Federal law)~~ or a former spouse who is an alternate payee under a qualified domestic relations order may roll over an eligible distribution to an IRA (including a Roth IRA) or to any other eligible plan, as described above. Your non-spouse beneficiary (who is your designated beneficiary under IRS rules) may also elect a direct rollover. However, he or she may only direct a rollover to an IRA (including a Roth IRA). The IRA must be identified as an inherited IRA and is subject to special distribution rules.

The Plan Administrator will provide you with more detailed information as to how to elect a direct rollover. However, for more information as to the tax consequences related to single sum cash payments that are not directly rolled over to a qualified defined contribution plan or IRA, you should consult your own tax advisor.

Forms Of Benefit Payment

If the value of your vested benefit is over $5,000, distribution of your benefit will automatically take the form of an annuity.

An annuity is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different annuity arrangements. Depending on your choice, you can even provide a lifetime monthly income to your spouse or another beneficiary if you die after your Annuity Starting Date.

In the following sections, we will discuss the normal form of payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your spouse's consent to elect a form of payment other than the normal form of payment.

Under special IRS rules, you may not elect a form of payment that is expected to provide a plan benefit to your designated beneficiary that is more than incidental when compared to the benefit amount expected to be paid to you. An exception to this rule applies if your beneficiary is your spouse~~ (as defined under Federal law, see "*Normal Form of Payment*" below)~~.

Normal Form Of Payment

The annuity form under which your Plan benefit is normally paid -- that is, the way it automatically will be paid to you unless you waive it and make another election -- depends on whether you have a spouse on your Annuity Starting Date (the date as of which payments start). Generally under the Plan, your spouse is the person to whom you are legally married under the laws of the State in which ~~you reside~~the marriage occurred.

Normal Form Of Payment For Married Employees

If you are married, the normal form of payment is a Qualified Joint and Survivor Annuity. This provides a benefit for you and your spouse, so long as he or she is the same person to whom you are married at your Annuity Starting Date. Your benefit will be paid to you as long as you live. However, since this form of payment provides for payment over two lifetimes (yours and your spouse's), the amount you receive will be less than if it were paid only during your lifetime. If you die after your Annuity Starting Date, your spouse will receive a lifetime income equal to 50% of what you were receiving when you died. Instead of a 50% continuation you may elect under the Joint and Survivor form of payment to have 66 2/3% or 100% of the benefit you were receiving continued to your spouse.

When your spouse dies, your beneficiary will receive your required ~~employee contributions (both Post Tax, if any, and Pick-Up~~Pick-Up Contributions~~)~~ with interest, *less* any retirement income payments already made.

The Plan Administrator will give you information about the joint and survivor benefit and your other retirement options between 30 and 90 days before your benefit payments begin. If you don't want the joint and survivor coverage, you must notify the Plan Administrator in writing before your retirement date.

However, your spouse must consent in writing to your election out of joint and survivor coverage and into an optional form of payment. This consent may be given in either of the following ways:

- Your spouse's consent may specifically acknowledge a non-spouse beneficiary and/or method of payment, in which case any future change of beneficiary designation and/or method of payment must have your spouse's written consent; or

- Your spouse's consent may expressly allow you to designate any non-spouse beneficiary and/or choose any method of payment, in which case any future changes would not require your spouse's consent.

In either case, your spouse's written consent must be witnessed by a Plan representative or notary. Your decision to keep the joint and survivor coverage or elect a different form of payment becomes final when you retire and cannot be changed later.

Normal Form Of Payment For Unmarried Employees ~~Not Married~~

If you are not married, your benefit will be paid in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live.

If after you die the total amount of benefits you have received as of the date of your death is less than your ~~required employee contributions (both Post Tax, if any, and Pick Up~~total Pick-Up Contributions~~)~~ with interest, your beneficiary will receive the difference.

Other Payment Options

The Plan also offers additional payment options which may suit your needs better than the normal form just described. During the 90-day period before your Annuity Starting Date you can elect one of the following optional methods of payment instead of the above method. If you are married, your spouse must consent to this election.

Single Life Annuity

If you are married, the Plan permits you to waive the qualified Joint and Survivor Annuity and receive your plan benefit in the form of a single life annuity -- that is, in level monthly payments to you as long as you live, based on your monthly plan benefit as described in the section titled "*How Your Plan Benefit Is Calculated*". Under this form of payment, you will receive a larger plan benefit than you would have received under the qualified Joint and Survivor Annuity, but generally no survivor benefits will be paid after your death.

Ten Year Certain and Life Option

If you choose this option, you ~~would~~will receive a reduced retirement income for life, but with a minimum guarantee of 10 years' payments. If you die after your Annuity Starting Date but before receiving payments for ten years, the payments will be continued to your beneficiary for the rest of the ten-year period.

Joint ~~And~~and Survivor Annuity

The Joint and Survivor Annuity (otherwise known as the Contingent Pensioner Option) will provide you with reduced monthly payments for life but, at your death, payments will continue to a beneficiary (any person you choose) for as long as that person lives. These payments may be 100%, 66 2/3% or 50% of your reduced plan benefit.

If you continue to work after your Normal Retirement Date, you may elect one of the above optional methods of payment. If you are married, you must waive the automatic preretirement spouse benefit coverage (with your spouse's consent). However, when you do decide to retire, if you wish to receive your retirement income payments under an optional form of payment, you must also waive the Qualified Joint and Survivor Annuity normal form of payment (again, with your spouse's consent) and elect the desired option during the 90 days before your retirement.

If you continue to work after your Normal Retirement Date but die before you actually retire, your date of death will be considered to be your retirement date.

If one of the Joint and Survivor Annuity options or the Ten Year Certain and Life Option is in effect, your beneficiary will receive payments when you die.

If after you and your primary beneficiary die the total amount of benefits paid to you and your primary beneficiary is less than the value of your required contributions, plus interest, on your Annuity Starting Date, your designated secondary beneficiary will receive the remaining amount at the time of the death of you or your primary beneficiary, whoever survives longer. However, if the total amount of benefits paid to you and your primary beneficiary before death is more than the value of your required contributions, plus interest, on your Annuity Starting Date, your designated secondary beneficiary will not receive any payment.

Death Benefits Before Your Retirement Date

Married Participant

Your spouse will be eligible for benefits if you die and meet the applicable requirements described in the provisions of Spouse Benefit I or Spouse Benefit II below.

Spouse Benefit I. Your spouse will be eligible for this benefit if:

- you were married at the time of your death, and
- your termination of employment date, Early Retirement Date or Normal Retirement Date has not occurred, and
- you have reached age 55, and
- you have completed 10 years of Service.

Under Spouse Benefit I, your spouse will receive 50% of your retirement income (based on your years of Credited Service to your date of death), payable for life and with no reduction for early retirement if payments commence to your spouse before the date that would have been your Normal Retirement Date.

However, this benefit will be reduced by 1% for each full year if your spouse is more than 10 years younger than you.

When your spouse dies, your beneficiary will receive the remainder, if any, of your ~~employee contributions (both Post Tax, if any, and Pick Up Contributions) with interest. If you have Post Tax contributions, upon your death, your spouse can elect to receive the additional retirement income which can be provided with the Post Tax contributions or she can receive a lump sum refund.~~Pick-Up Contributions with interest.

Spouse Benefit II. If you are not eligible for the benefit described above, your spouse will receive the following benefit if:

- you were married at the time of your death, and
- you had a vested right to retirement income payments, and
- you had not elected to waive spouse benefit coverage, and
- you had not yet started receiving retirement income payments.

Under Spouse Benefit II, your spouse will receive 50% of the amount you would have received had you retired on the date of your death with the Qualified Joint and Survivor Annuity form of payment.

The benefit amount will be based on your years of Credited Service prior to your date of death and then reduced for the joint and survivor form of payment and early retirement if payments begin prior to your Normal Retirement Date. The benefit will be payable monthly to your surviving spouse.

When your spouse dies after preretirement spouse benefit payments have begun, your beneficiary will receive your required ~~employee contributions (both Post Tax, if any, and Pick Up~~Pick-Up Contributions~~)~~ with interest, *less* any retirement income payments already made. ~~If your spouse had already elected to receive a lump sum refund of your Post Tax Contributions, these would not be payable to the beneficiary.~~

If benefit payments are payable in accordance with Spouse Benefit I, your spouse can choose to begin receiving the payments as early as the first day of the month following your death.

If benefit payments are payable in accordance with Spouse Benefit II, the earliest your spouse can choose to begin receiving payments is your earliest retirement age (the earliest possible age ~~your~~you are entitled to this benefit is age 55 but after completing at least 10 years of Service) or, if that date has passed, the first day of the month following your death.

If your spouse does not consent to the applicable starting date above, he or she may choose to defer receiving income up to the later of the date you would have reached your Normal Retirement Date or age 62.

Also, whether the preretirement spouse benefit is payable in accordance with Spouse Benefit I or II, if your spouse chooses to defer payment of benefits and then dies before the deferred payment start date, no retirement income payments will be payable, except as otherwise provided below.

If You Are Not Married

If you die before your Normal Retirement Date, your beneficiary will receive your required ~~Pick Up~~Pick-Up Contributions, ~~with interest, as well as your Post Tax Contributions (if any)~~ with interest. Otherwise, no other death benefit will be payable.

However, if you continue to work after your Normal Retirement Date but die before your Annuity Starting Date, you can elect an optional method of payment to take effect in the event of your death or retirement after your Normal Retirement Date. In this case, payment will be made in accordance with the optional method of payment you elected.

Special Rules Applicable To Participants Who Die During Military Absence

If you are absent from employment with the Employer because of military service and die after December 31, 2006, while performing qualified military service (as defined under the Internal Revenue Code), you will be treated as having returned to employment with the Employer on the day before your death for purposes of determining your vested benefit and your beneficiary's eligibility for a survivor death benefit. Notwithstanding the foregoing, except as otherwise specifically provided in the following paragraph, you will not earn additional benefits with respect to your period of military leave.

If you die on or after January 1, 2007, under the conditions described in the preceding paragraph, you will also be treated as having returned to employment with the Employer on the day before your death for purposes of determining your eligibility for and the amount of any additional benefit to which you would have been entitled for your period of military service if you had returned to work following your service. For this purpose, you will be treated as if your employment had terminated on your date of death.

Disability

If you become disabled while actively employed, and you are eligible for benefits from your Employer's disability program, you will continue to receive Service (for vesting) while you are collecting these disability benefits. However, you will not receive Credited Service (for benefit purposes) during this period.

Circumstances That May Affect Your Plan Benefit

The following conditions may cause your benefit to be denied, reduced or suspended:

- If you don't return to work within 12 months of the date your Service ends, it may be a break-in-service. This could affect the amount of your retirement benefit.

- If you are disabled, your retirement benefit will be based only on the Credited Service you earned before the disability.

- If you waive the Qualified Joint And Survivor Annuity (with spousal consent) and then die after your Annuity Starting Date, your spouse will have no right to any portion of your vested benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If you waive the preretirement spouse benefit (with spousal consent) and elect an optional form of payment and then die *after* your Normal Retirement Date while an active employee, your spouse will have no right to any portion of your benefit unless he or she was the designated beneficiary for the survivor payments provided under the optional form of payment you elected.

- If the value of your benefit is $5,000 or less, your benefit may be paid as a single cash payment at the time you terminate employment. If you are 100% vested and receive such a payment, you will not have a right to any further benefit under the Plan unless you are rehired and earn additional benefits under the Plan.

- If you divorce, the court may direct that all or part of your benefit be paid to an alternate payee. This alternate payee will generally be your ex-spouse or your children. The Plan Administrator will notify you upon receiving such an order and will tell you what effect it has on your benefit.

Receiving Your Plan Benefit

Applying For Your Benefit

You or your beneficiary will need to complete a benefit claim form available from the Plan Administrator. This form will allow the Plan Administrator to calculate your benefit and begin to process it.

Payment Of Your Benefit

If your claim is approved, payments will be mailed to you monthly. Again, if the value of your vested benefit is $5,000 or less, payment may be made in a single sum cash payment.

Getting Your Questions Answered

The Town of Easton and the Easton Utilities Commission have been designated as the Plan Administrator. Any information about the Plan may be obtained by contacting the Town of Easton.

- Address: Town of Easton, Maryland, P.O. Box 520
  14 South Harrison Street
  Easton, MD 21601
- Phone: 410 822 2525

- ~~Address: Town of Easton, Maryland, P.O. Box 520~~
  ~~14 South Harrison Street~~
  ~~Easton, MD 21601~~
- ~~Phone: 410-822-2525~~

Additional Information

- Plan Name: Town of Easton, Maryland Employees' Pension Plan
- Effective Date: The Plan was established on August 1, 1973 and most recently revised on August 1, 2021.
- Plan Year: The Plan Year is the 12-month period ending on July 31.
- Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.
- Plan Sponsor: Town of Easton, Maryland, P.O. Box 520
  14 South Harrison Street
  Easton, MD 21601
- Employer: Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)
- Plan Sponsor EIN: 52-6000787
- Plan Number: 001
- Type Of Plan: This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.

- Type Of Administration: Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.

- Plan Costs: The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.

- ~~Plan Name:~~ ~~Town of Easton, Maryland Employees' Pension Plan~~

- ~~Effective Date:~~ ~~The Plan was established on August 1, 1973 and most recently revised on August 1, 2013.~~
- ~~Plan Year:~~ ~~The Plan Year is the 12-month period ending on July 31.~~
- ~~Recordkeeping Period:~~ ~~Records for the Plan are kept on a Plan Year basis.~~
- ~~Plan Sponsor:~~ ~~Town of Easton, Maryland, P.O. Box 520~~
  ~~14 South Harrison Street~~
  ~~Easton, MD 21601~~
- ~~Employer:~~ ~~Town of Easton, Maryland and Easton Utilities Commission (and any other unit of the Town which participates in the Plan)~~
- ~~Plan Sponsor EIN:~~ ~~52-6000787~~
- ~~Plan Number:~~ ~~001~~
- ~~Type Of Plan:~~ ~~This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.~~
- ~~Type Of Administration:~~ ~~Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.~~
- ~~Plan Costs:~~ ~~The Town of Easton, Maryland and the Easton Utilities Commission share the cost of your Plan benefits.~~

Continuation Of The Plan

While your Employer fully intends to continue the Plan indefinitely, it does reserve the right to modify, suspend or terminate the Plan at any time. However, no modification, suspension or termination of the Plan may reduce any benefits you have already accrued.

Should the Plan be terminated, you will not earn any additional benefits, but you will be 100% vested in your accrued benefit at the time of the Plan's termination. The assets of the Plan will be allocated to provide all accrued benefits and meet any other legal requirements. After such allocation is completed, any remaining assets will be paid to the Employer.

Assets are allocated to provide accrued benefits according to a schedule mandated by law.

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Style name: Thompson Hine Standard	
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Original filename: 03471.SPD.Div. B 7-12-13.doc	
Modified filename: 00017529-SPD-Div B 2021 4837-0013-1069 v.2.docx	
Changes:	
Add	152
~~Delete~~	146
~~Move From~~	0
Move To	0
Table Insert	2
~~Table Delete~~	0
Table moves to	0
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Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	300

RESOLUTION NO.: 6151

A RESOLUTION OF THE TOWN OF EASTON APPROVING AND ADOPTING THE TOWN OF EASTON, MARYLAND EMPLOYEES' PENSION PLAN 2021 RESTATEMENT

Introduced By: ___________________

WHEREAS, the Town of Easton has a Maryland Employees' Pension Plan, originally effective as of August 1, 1973, as presently maintained under Restatement made effective as of August 1, 2013, and

WHEREAS, there have been two amendments to the Restatement; a Compliance Amendment from the Supreme Court's decision in United States V. Windsor effective June 26, 2013 and a Second Amendment for Division B Sworn Officers effective July 1,2017; and

WHEREAS, this restatement includes updates and amendments.

(1) For incorporation of all prior amendments,
(2) For applicable required legislative changes and custom provision applicable to the plan. This included compliance with the SECURE Act.
(3) For the deletion and elimination of the Addendum concerning Prior Participant Contributions and references in the plan to "Table I". All participants have received payout or are in payout status. This results in a much cleaner document.
(4) For the incorporation of the Addendums for Division A and B into the base document,
(5) For the addition of the feminine pronouns throughout or the masculine pronoun converted to a gender-neutral terms.
(6) For the elimination of all references to Post-Tax Contributions made prior to 1973.

NOW THEREFORE, be it resolved by the Easton Town Council

Section 1. The Town Manager is authorized to execute the restatement. Included with this resolution are the following attachments;

(1) Town of Easton Employees' Pension Plan 2021 Restatement
(2) Comparison to Original 2013 Restatement
(3) Summary Plan Description for Town of Easton Employees' Pension Plan – Division A
(4) Comparison to Original 2013 Summary Plan Description – Division A
(5) Summary Plan Description for Town of Easton Employees' Pension Plan – Division B
(6) Comparison to Original 2013 Summary Plan Description – Division B

Section 2. The restatement shall have taken effective on August 1, 2021.

Section 3. This resolution shall become effective upon approval by the Mayor after adoption by the Town Council.

RESOLUTION NO. 6152

A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION OF A SUBRECIPIENT AGREEMENT WITH BUILDING AFRICAN AMERICAN MINDS, INC. FOR A GRANT FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MARYLAND COMMUNITY LEGACY PROGRAM

INTRODUCED BY: ______________________________

WHEREAS, the Town has received a grant from the Department of Housing and Community Development Maryland Community Legacy Program of $500,000 to be used by Building African American Minds, Inc. to construct a 3-story building to house current after school and summer programs focused on youth, as well as parents and young adults seeking employment services; and

WHEREAS, the Town wishes to enter into a Subrecipient Agreement with Building African American Minds, Inc. to govern their use of the grant proceeds and reporting requirements pursuant to the grant.

NOW, THEREFORE, the Town of Easton hereby resolves as follows:

Section 1. The recitals set forth above are incorporated herein by reference and made a part of this Resolution.

Section 2. The Mayor is hereby authorized to execute and deliver the Subrecipient Agreement, a true and correct copy of which (save for executing and dating) is attached to this Resolution as Exhibit “A”;

Section 3. The Mayor may make any non-substantive changes to the attached documents necessary to effectuate the purpose of this Resolution;

Section 4. The Mayor is hereby authorized to take whatever additional actions are reasonably necessary to effectuate the terms of this Resolution;

Section 5. Any prior execution and delivery of documents related to the Subrecipient Agreement that are consistent with the purpose of this Resolution, are hereby ratified and approved; and

Section 6. This Resolution shall become effective upon approval by the Mayor after adoption by the Town Council.

Silverstein	-
Abbatiello	-
Engle	-
Davis	-
Cook	-

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this ____________ day of _________________, 2022.

____
Megan J. M. Cook, Town Council President

Delivered to the Mayor by me this ________ day of _____________, 2022.

____
Kathy M. Ruf, Town Clerk

APPROVED:

Date: ______________________ ________________________________

Robert C. Willey, Mayor

EFFECTIVE DATE: __________________________, 2022

Department of Housing and Community Development

Maryland Community Legacy Program

Subrecipient Agreement

This Subrecipient Agreement dated this ___________ day of _______________________ 2022 (the "Agreement"), is by and between the Town of Easton, a municipal corporation of the State of Maryland (the "Recipient") and Building African American Minds, Inc. (the "Subrecipient").

WHEREAS, the Recipient has entered into an agreement (the Community Legacy Program Grant Agreement") with the Department of Housing and Community Development, a principal department of the State of Maryland ("DHCD") for a grant in the amount of $500,000.00 (the "Grant") under the Community Legacy Program (the "Program") which is administered by DHCD;

WHEREAS, $500,000.00 of the Grant is being subgranted by the Recipient to the Subrecipient for the purposes described herein;

WHEREAS, the Program is governed by Maryland Annotated Code Housing and Community Development Article, §§ 6-201 through 6-213, as amended (the "Act") and the regulations promulgated thereunder set forth in COMAR 05.17.01 (the Regulations");

WHEREAS, the Regulations require, among other things, that where all or a portion of the Grant will be used by a subrecipient, there must be a written agreement between a recipient and a subrecipient regarding the use of such funds; and

WHEREAS, the parties hereto desire to set forth the terms and conditions for use of the proceeds of the Grant.

NOW, THEREFORE, in consideration of the foregoing, and subject to the conditions contained herein, the Recipient and Subrecipient agree as follows:

1. Incorporation of Community Legacy Program Grant Agreement. The subrecipient has reviewed and understands the provisions of the Community Legacy Program Grant Agreement. The terms and conditions of the Community Legacy Program Grant Agreement and all Exhibits thereto, (collectively, the "Community Legacy Program Grant Agreement") a copy of which is attached hereto as Attachment A, are hereby incorporated into and made, a part of this Agreement. The Subrecipient agrees to assist the Recipient, to cooperate with the Recipient and to assume responsibility with the Recipient in fulfilling the terms and conditions of the Community Legacy Program Grant Agreement.

2. The purpose of this Agreement is to provide the Subrecipient with funds to carry

out the activities described in Exhibit A of the Community Legacy Program Grant Agreement (the “Subrecipient Project”).

3. Funds Provided. In consideration of the various obligations to be performed by the Subrecipient pursuant to this Agreement, the Recipient agrees to provide Subrecipient with funds in an amount not to exceed $150,000.00 (the “Subrecipient Grant”) subject to the terms and conditions set forth herein.

4. Schedule for Completion. The activities related to the Subrecipient Project shall be completed in accordance with the schedule attached marked as Exhibit C of the Community Legacy Program Grant Agreement (the “Schedule”).

5. Expenditure of Funds.

(a) The proceeds of the Subrecipient Grant shall be expanded in accordance with the Subrecipient Project budget marked as Exhibit B of the Community Legacy Program Grant Agreement hereto (the “Budget”).

(b) The proceeds of the Subrecipient Grant may be used to reimburse the Subrecipient for costs Incurred pursuant to the Budget for the activities described in Exhibit B of the Community Legacy Program Grant Agreement.

(c) The Recipient, in its discretion, may advance all or a portion of the Subrecipient Grant in the amounts set forth in the Budget to pay for the activities described in Exhibit B of the Community Legacy Program Grant Agreement.

6. Compliance with Federal and State Regulations.

(a) The Subrecipient shall undertake the Subrecipient Project in accordance with the Act and the Regulations.

(b) The Subrecipient shall comply with all of the applicable federal and state laws, regulations, circulars, and guidelines related to the Program.

7. Disbursement of Subrecipient Grant.

(a) Disbursement of funds under the Subrecipient Grant shall be in the amounts and at the times set forth in the Budget and the Schedule and shall be made only for costs which have been determined by the Recipient to have been properly incurred by the Subrecipient.

(b) Requests for disbursements shall be made in the following manner:

(i) Paragraph 7 of the Community Legacy Program Grant Agreement sets forth the procedure for disbursement of the Grant from DHCD to the Recipient. Subrecipient agrees to assist the Recipient in complying with the process set forth therein.

(ii) Requests for disbursements should be made allowing approximately forty-five (45) days to receive the Grant funds.

8. Records and Reports.

(a) The Subrecipient shall maintain the records related to the Subrecipient' Project set forth in the Community Legacy Program Grant Agreement attached hereto and made a part hereof in a manner satisfactory to the Recipient.

(b) The Subrecipient shall produce the reports set forth in the Community Legacy Program Grant Agreement on the dates and which contain the information indicated.

9. Program Income.

(a) "Program Income" is any income generated as a result of activities supported by the Subrecipient Grant funds. Program income received by the Subrecipient shall be returned to Recipient.

(b) Any Program income on hand upon the expiration of this Agreement or received after the expiration of this Agreement shall be returned to the Recipient.

10. Term of Agreement. Unless terminated earlier pursuant to Section 11 of this Agreement or upon the mutual agreement of the parties with the consent of DHCD, this Agreement shall remain in full force and effect until the Subrecipient Project has been completed to the satisfaction of the Recipient and DHCD, all reports required by this Agreement, DHCD, have been submitted and approved, and all outstanding issues between the Recipient and the Subrecipient have boon resolved in a manner satisfactory to the Recipient.

11. Default and Remedies.

(a) Any breach of any representation, warranty, covenant, condition, or provision of this Agreement, including failure of the Subrecipient to conduct and complete the activities associated with the Subrecipient Project in a manner satisfactory to the Recipient, shall constitute a default under this Agreement.

(b) The Recipient shall notify the Subrecipient, in writing, of a default under this Agreement. The Subrecipient shall have 15 days from the date of such notice to cure the default in a manner satisfactory to the Recipient. Upon the failure of the Subrecipient to cure the default in a manner satisfactory to the Recipient, the Recipient, in addition to the remedies set forth in the Community Legacy Program Grant Agreement, shall have the following remedies:

1) the Subrecipient, shall not be entitled to any undisbursed portions of the Subrecipient Grant;
2) the Recipient may, at its option, require the Subrecipient to repay all funds improperly expanded by the Subrecipient; and
3) the Recipient may take all other actions available to it at law or in equity.

12. Reversion of Assets. Upon termination of this Agreement, the Subrecipient shall:

(a) transfer to the Recipient all undisbursed Subrecipient Grant funds in the possession of the Subrecipient at the time of termination, including any accounts receivable attributable to the Subrecipient Grant; and

(b) comply with any special conditions related to the Subrecipient Project as set forth in the Community Legacy Program Grant Agreement and any attachments thereto.

13. Inspections. The Subrecipient shall permit the authorized representatives of the Recipient or DHCD to inspect, at any reasonable time, the Project and all records related to the Project.

14. Third Party Beneficiaries. The Recipient and the Subrecipient hereby agree that all representations and warranties contained in this Agreement run to the benefit of DHCD and the State of Maryland (the “State”). The Recipient and the Subrecipient further agree and acknowledge that DHCD and the State shall have the right to request documentation from time to time from the Recipient and/or the Subrecipient and shall be entitled to exercise all of the rights and remedies available to the Recipient against the Subrecipient.

15. No Waiver. No failure or delay by the Recipient to insist upon the strict performance of any term, condition, representation or warranty of this Agreement or to exercise any right, power or remedy shall constitute a waiver of any such term, condition, representation or warranty nor preclude the Recipient, DHCD, or the State, from exercising any such right, power, or remedy at any later time.

16. Survival. All covenants, agreements, representations and warranties made in this Agreement and in any other documents delivered pursuant hereto shall survive closeout of the Grant and shall continue in full force and effect until the Recipient has complied with all terms and conditions of the close-out agreement executed by and between DHCD and the Recipient for the Project.

17. Notices. All reports, notices, consents or approvals required under this Agreement shall be in writing and shall be deemed to have boon given properly if and when mailed by first class certified mail, return receipt requested, postage prepaid, as follows:

If to Recipient:	Town of Easton 14 South Harrison Street Easton, Maryland 21601 Attn: Dawn Hutchison
With a copy to:	Sharon M. VanEmburgh, Esquire 16 South Washington Street Easton, MD 21601
If to Subrecipient:	Building African American Minds, Inc. P.O. Box 1066 Easton, MD 21601 Attn: Dina Daly and Christina Ford
If to DHCD:	Department of Housing and Community Development Division of Neighborhood Revitalization 7800 Harkins Road Lanham, MD 20706 Attn: Community Legacy Program
With a copy to:	Office of the Attorney General 7800 Harkins Road Lanham, MD 20706 Attn: Division of Neighborhood Revitalization

or to such other address as the parties above shall have furnished to the other in writing.

18. Modification/Assignment. No portion of this Agreement may be changed, waived or modified except with the written consent of DHCD and by a written agreement executed by the parties hereto. This Agreement may not be assigned, in whole or in part, without the prior written Consent of DHCD.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

20. Terms Binding. All of the terms, conditions, representations, warranties and covenants of this Agreement shall apply to and be binding upon and inure to the benefit of the Recipient, DHCD, and the State. This Agreement shall be binding upon Subrecipient and its successor[s].

21. Indemnification. The subrecipient hereby releases the Recipient, DHCD, and the State

from, agrees that the Recipient, DHCD, and the State shall have no liability for, and agrees to protect, indemnify, and save harmless the Recipient, DHCD, and the State from and against any liability, suit, action, claim, demand, loss, expense or cost of any kind or nature, including attorneys, fees, incurred by or asserted or imposed against, the Recipient, DHCD, or the State as a result of or in connection with the Project. Any money expended by the Recipient, DHCD, or the State as a result of such liabilities, suits, motions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law and reasonable attorneys' fees, shall be immediately and without notice due and payable by the Subrecipient to the party who has expended such money.

22. Further Assurances and Corrective Instruments. The parties hereto agree that they will, from time to time, execute and deliver, or cause to be executed and delivered, such amendment hereto and such further instruments as may be required by the Recipient, DHCD, or the State to comply with any existing or future State or federal regulations, policies, directives, procedures or other requirements or to further the general purposes of this Agreement.

23. Severability. The invalidity of any articles, section, subsection, paragraph, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, subsections, paragraphs, clauses or provisions hereof.

24. Authority. This Agreement has been duly executed and delivered by the Subrecipient and the Recipient, in such manner and form as to comply with all requirements necessary to make this Agreement the valid and legally binding and enforceable act and agreement of the Subrecipient and the Recipient.

WITNESS our hands and seals, all as of the date first written above.

WITNESS	Town of Easton
______________________________	______________________________(SEAL) Robert C. Willey, Mayor
WITNESS/ATTEST	Building African American Minds
______________________________	______________________________(SEAL) Dina Daly, Executive Director

Ordinance No. 780

AN ORDINANCE OF THE TOWN OF EASTON FOR THE AMERICAN RESCUE PLAN ACT

Introduced By: ____________________

WHEREAS, the Town Council passed Ordinance 775 an Ordinance of the Town of Easton amending the Town Budget Fiscal Year 2022 on February 21, 2022; and

WHEREAS, the Town Council passed Ordinance 768 an Ordinance of the Town of Easton amending the Town Budget Fiscal Year 2022 for the American Rescue Plan Act on September 20, 2021; and

WHEREAS, the amount requested by application for Saint Vincent De Paul was withdrawn in the amount of $25,000; and

WHEREAS, a portion of the "Responding to Negative Economic Impacts – Future Distributions" funds have been authorized to be moved to Investment in Infrastructure in the amount of $51,394; and

WHEREAS, this results in a remaining balance in the "Responding to Negative Economic Impacts – Future Distributions" in the amount of $57,606; therefore

SECTION 1, BE IT ENACTED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EASTON, that the American Rescue Plan Act funds be re-allocate as follows:

EXPENDITURES - AMERICAN RESCUE PLAN ACT

Responding to the Public Health Emergency or its Negative Economic Impacts		
Responding to Negative Economic Impacts		
Impacts on Businesses - Small Businesses and Non-Profits		
Saint Vincent De Paul	$	-25,000
Responding to Negative Economic Impacts, Future Distributions	$	25,000
Move to Investment in Infrastructure (Stream Restoration, West Glenwood Avenue)	$	-51,394
To make necessary Investments in Infrastructure		
Clean Water / Water Pollution Control		
Stream Restoration, Glenwood Avenue	$	-109,870
Stream Restoration, West Glenwood Avenue	$	161,264
EXPENDITURES - AMERICAN RESCUE PLAN ACT		**$0**

SECTION 2. BE IT FURTHER ENACTED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EASTON, That the specific recipients of the category "Responding to Negative Economic Impacts – Future Distributions" may be approved by resolutions of the Town Council.

SECTION 3. BE IT FURTHER ENACTED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EASTON, that this Ordinance shall take effect ....

Silverstein -
Abbatiello -
Engle -
Davis -
Cook -

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this _______ day of _______________, 2021.

____
Megan M.J. Cook, Town Council President

Delivered to the Mayor by me this _______ day of ___________, 2021.

____
Kathy M. Ruf, Town Clerk

APPROVED:

Date: ____________________

____
Robert C. Willey, Mayor

EFFECTIVE DATE: ________________________, 2021.