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To: Board of Directors
From: Leanne P. Redden, Executive Director
Date: May 12, 2022
Re: Ordinance Authorizing an Amendment to the RTA Pension Plan

The attached ordinance authorizes certain amendments to the RTA Pension Plan (the Plan) In addition to clarifying certain administrative matters, the attached proposed ordinance primarily recommends four revisions:

1. Increased transparency pursuant to the [Open Meetings Act](#);
2. A temporary window during which employees may purchase service credit;
3. A choice between a 401(k) employer contribution and a pension for newer employees; and
4. Elimination of non-reciprocal service credit for prior employment at CTA.

BACKGROUND

Pension Plan Structure

Pace, Metra and the RTA are participating employers in the RTA Pension Plan (the Plan) which is administered by a committee. The Pension Committee (the Committee) is comprised of Metra, Pace and RTA appointees; two per agency, all employees. The RTA's General Counsel is appointed by the Board of Directors to act as Chair of the Committee. The Plan's investments are managed by a separate entity, the Plan's Board of Trustees (Trustees), which is comprised of three employee appointees each from Pace, Metra and RTA and four investment professionals not otherwise affiliated with any participating employer. The RTA's Treasurer acts as chair of the Board of Trustees. A number of outside consultants provide professional advice on Plan management and investments, including an actuarial consultant whose duties include preparing the Plan's annual valuation and coordinating proposed updates and changes with the Committee's legal counsel, Plan Administrator and Plan Trustees. Please note that the Chicago Transit Authority (CTA) operates a pension plan separate from that of the other three agencies.

Existing Pension Plan Benefits

The RTA Pension Plan is a defined benefit (DB) plan¹ which in most respects operates as a traditional government pension plan. Employees are immediately eligible to participate in the

¹ In a defined benefit plan, a formula dictates what the Participant will receive at the time of distribution and the plan sponsor is responsible for funding the plan over time (based on actuarially calculated contribution amounts) to ensure that the benefits will be paid according to that formula as distributions become due to employees.

Plan at the time of employment and vest in their Plan benefits after the equivalent of approximately five years of full-time service. A number of factors such as age, years of service and salary history, are used to calculate a fixed cash benefit paid from the date of retirement through the recipient's life. Depending on the type of benefit the Participant chooses, payments are potentially made to others (e.g., surviving spouse or children) upon the employee's death. Certain Participants whose service started prior to January 1, 2011, are eligible to elect and receive a lump sum payout of benefits.

SUMMARY OF PROPOSED AMENDMENTS

1. Increased Transparency Pursuant to the Open Meetings Act

Future meetings of the Committee and the Trustees will be open to the public and held in compliance with the Open Meetings Act (OMA).

Purpose: In keeping with the three agencies' desire for increased transparency and despite the fact that many aspects of the Committee's and the Trustees' business is likely to be addressed in closed session, future meetings will be conducted in accordance with all requirements of the OMA.

Financial Impact: This amendment will have no significant financial impact on the Plan other than minimal increased administrative costs.

2. Purchase of Service Credit

The revised Plan would give vested employees the option to purchase up to five (5) years of Service Credit to be used in determining pension eligibility and calculating the resulting benefit. The expectation is that this feature would provide the opportunity for (near) retirement-eligible individuals to purchase sufficient credit to retire on an accelerated basis.

Purpose: This feature is intended to help the agencies better meet the region's emerging staffing needs resulting from the Coronavirus Disease 2019 (COVID-19) pandemic's long-term impact.

Financial Impact: This new benefit is specifically designed to be cost neutral to the Plan. The intent is that all administrative expenses will be borne by the Participant. There is no reliable method for knowing in advance precisely how many employees will take advantage of this benefit. The Plan actuary has calculated the cost of purchasing Service Credit in various scenarios. The potential for positive impact may be minimal due to the cost associated with the purchase.

EXAMPLE: Employee 55 years of age, 26 years of service
(assumes future salary increases of 2.5% until projected eligibility for unreduced retirement)

- $55 + 26 = 81$ (4 years from “rule of 85” or full retirement eligibility)
- final salary \$100,000 at time of purchase
 - \$19,284 – cost to purchase 1 year of service
 - \$52,016 – cost to purchase 2 years of service
 - \$72,646 – cost to purchase 3 years of service
 - \$108,035 – cost to purchase 4 years of service
 - \$128,918 – cost to purchase 5 years of service²

Structure / Additional Analysis

- Sunsets in 5 years – gives employers the opportunity to assess impact and utility of this option and whether to continue offering it long-term.
- Purchase limitations:
 - 5 year maximum
 - Purchase of Service Credit only; no purchase of age permitted (purchase will not increase age used in calculating benefit)
 - Only vested Participants can exercise this option; cannot purchase credit to reach the vesting threshold
 - Cannot purchase eligibility for lump sum payout of pension benefits.
- Default or death: Participant receives prorated Service Credit; may issue a refund if later found ineligible for pension (felony forfeiture clause)
- Service Credit cost calculations to be completed by Plan actuary
- All additional administrative costs to be assessed to the Participant.

3. **401(k) vs. Pension Option**

Currently, Metra, Pace and RTA jointly offer employees the opportunity to participate in an employee funded 401(k) plan. The current 401(k) plan is managed by a committee comprised of two Metra, one RTA and three Pace employee representatives, with the assistance of a Third Party Administrator. One of the three Pace representatives is appointed by Pace to serve as the plan committee chair.

The amendment proposes to permit new employees to choose in what form to receive an employer-funded retirement benefit: (1) an employer contribution to the 401(k) plan, or (2) a benefit from the Pension Plan. Regardless of which option an employee chooses, the proposed amendment would allow eligible employees to continue to make their own contributions (elective deferrals) into the 401(k) plan. The pension option would provide for eligibility in the existing Pension Plan under the same terms and conditions currently present in that Plan. This choice would be offered to (i) otherwise pension-eligible employees (ii) hired on or after January 1, 2022.

² Note that the years of Service Credit purchased in this scenario would count toward the employee’s eligibility for the Rule of 85, but also in the ultimate calculation of the benefit the employee will receive.

The new 401(k) option would provide for an annual employer contribution of 6 - 8% of employee compensation, subject to a 3-year “cliff” vesting period (i.e., the employee would be 0% vested prior to 3 years of service, but once 3 years of service is reached, the employee would be 100% vested), with no employee contribution required. Employer contributions would be made effective from the date of hire, but the employee would not vest in the employer contributions until a full 3 years of service. At that time, the employer contribution would vest 100%. The 401(k) Committee has met and considered these parameters, subject to final approval by agency leadership of the specific employer contribution rate. This proposed structure was established in full consultation with the Plan’s actuaries, Third Party Administrator and outside legal counsel. Employee deferrals are, and would remain, 100% vested immediately upon contribution to the Plan.

Purpose: Attracting and retaining talent has become increasingly challenging. This amendment provides a tool designed to attract and retain a wider variety of applicants for staffing needs. All three agencies are vying, along with both the private and public sectors, for personnel in fields as competitive as information technology, audit, engineering, procurement and railroad conduction. The availability of DB *and* DC plans is meant to improve competition with the private sector, which primarily offers some form of DC (401(k)) benefit, while also maintaining our competitive stance vis-a-vis other government agencies providing traditional DB (pension) plans.

Financial Impact: Based on available data, it is anticipated that offering this option will yield a cost savings to the employers, though that is not its intended purpose. The proposed 401(k) employer contribution per individual employee (6 – 8% of employee salary) will be less than what is currently contributed to the Pension Plan (14%) on average. The future impact on the Pension Plan itself is unknown, as it is not possible to predict with any certainty which employees will choose one option or the other and how this might change over time. Nonetheless, the proposed option requiring an employer contribution to the 401(k) plan is very competitive when compared with private sector plans, especially with respect to “matching” plans that do not make an employer contribution to the 401(k) plan unless and until an employee also makes contributions. In particular, these types of employer contributions do not count toward the annual IRS limit on employee contributions (\$20,500 in 2022, \$27,000 if the employee is eligible to make an additional \$6,500 in catch-up contributions due to age), providing a substantial savings opportunity for the employees, while being tax deductible to the employer.³

A number of factors that change over time, including investment returns and demographic data, affect the Pension’s valuation. Though the analysis provided by our actuaries posits that the Pension Plan would result in a more lucrative benefit for most employees in the scenarios tested, this is not necessarily an indicator of how often new employees will choose one over the other. Under the existing Pension Plan, our actuaries have statistical models and assumptions upon which to base the Plan’s valuation; there is no built-in model for what is being proposed here.

³ The combination of employer and employee contributions are subject to an aggregate annual limit (\$61,000 for 2022, \$67,500 with catch-up contributions).

The mere act of offering this option could change choices along demographic lines which could impact the Plan's actuarial assumptions, in turn impacting Plan valuation and employer contributions.

The analysis prepared by our actuaries does, however, provide each agency with the tools to educate prospective new employees with factors to consider when making their irrevocable elections. Also, as indicated below, employees will have a window of time to consult with financial professionals prior to making the election.

It is anticipated that the cost of third party administration of the 401(k) plan and the Pension Plan will not be affected.

Structure / Additional Analysis

- Election would be irrevocable
- Election must be made within 90 days of (i) the effective date of the amendment or (ii) the employee's start date, whichever is later
- Normal Cost Rate (average employer contribution per employee to pension over each employee's career) is ~14%
- A DB plan (e.g., our Pension Plan) bears investment and longevity risk, while with a DC plan (e.g., 401(k)) the *Participants* bear the risk of low investment returns **and** the risk of outliving their plan balance
- In the vast majority of scenarios tested by the Plan's actuaries, the Pension Plan provides a richer benefit than the 401(k) plan
- A 6-8% employer contribution would not be expected to raise the cost of providing retirement benefits to employees, unless only younger members or short tenured employees select the 401(k).

4. Elimination of Non-Reciprocal Service Credit for Prior CTA Employment

The proposed amendment would end the granting of Service Credit for CTA employees hired by the participating employers. The CTA retirement plan does not provide similar Service Credit to Metra, Pace or RTA employees hired by CTA, and is an expense to the Plan which no longer benefits the participating employers or their employees. This amendment will apply prospectively.

Prepared by: Legal & Compliance Department

LPR/nml
Attachment



ORDINANCE NO.

WHEREAS, the Regional Transportation Authority (“RTA”) wishes to amend the Regional Transportation Authority Pension Plan (the “Plan”) to permit the purchase of service credit if certain conditions are satisfied; and

WHEREAS, the RTA wishes to amend the Plan to clarify the effect of a finding of long-term disability following normal retirement age; and

WHEREAS, the RTA wishes to amend the Plan to cease the recognition of service completed at the Chicago Transit Authority following approval of the amendment; and

WHEREAS, the RTA wishes to amend the Plan to reflect the application of the Open Meetings Act to the Plan Committee and Trustees; and

WHEREAS, the RTA wishes to amend the Plan to permit eligible employees to elect to waive participation in the Plan subject to applicable Plan procedures; and

WHEREAS, the RTA wishes to amend the Plan to clarify the appointment process for Committee members; and

WHEREAS, the Board of Directors of the RTA is authorized to amend the Plan.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY that the Regional Transportation Authority Pension Plan (the “Plan”) be, and the same hereby is, amended as set forth in the Amendment and Restatement of the Plan substantially in the form attached hereto.

BE IT FURTHER ORDAINED that the Chairman of the Regional Transportation Authority is authorized and directed to execute the Amendment and Restatement of the Plan substantially in the form attached hereto, such execution to constitute conclusive evidence of the approval of the Amendment and Restatement.

BE IT FURTHER ORDAINED that the Chair of the Pension Plan Committee is authorized to take such additional action as may be necessary or appropriate to finalize the amendments and implement this Ordinance, including modifying the Amendments as the Chair of the Pension Plan Committee may deem necessary or appropriate to accomplish the intent of these recitals.

**REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN**

(As Amended and Restated Effective as of January 1, 2022)

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REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

As Amended and Restated Effective January 1, 2016

ARTICLE I

Purpose, Intent And Effective Date

1.1 Purpose. The Authority has established and maintains the pension Plan contained herein to aid its eligible Employees and eligible Employees of any Affiliate Employers to attain a greater degree of post-retirement financial security for themselves and their families.

1.2 Intent. The Authority intends that the Plan shall constitute a qualified pension plan under the provisions of Section 401(a) of the Code. The Authority also intends that the Plan shall continue to be maintained by it for the above purposes indefinitely, subject always, however, to the rights reserved in the Authority to amend and terminate the Plan as set forth below.

1.3 Effective Date. Except as otherwise expressly provided, the provisions of the Plan, as amended and restated herein, shall be effective as of January 1, 2022, unless otherwise specified herein, and shall apply to any Participant whose termination of Employment occurs on or after that date.

ARTICLE II

Definitions And Construction

2.1 Definitions. The following terms, when used herein and initially capitalized as below indicated, shall, unless expressly otherwise provided, have the following respective meanings:

“Accrued Benefit” means a Participant’s monthly benefit determined in accordance with Article VI.

“Act” means the Regional Transportation Authority Act, P.A. 78-5, 3rd Special Session, Ill. Rev. Stat. Ch. 111-2/3, §§701.01-705.05. References to any Section of the Act herein shall include any successor provisions thereto.

“Actuarial (or Actuarially) Equivalent” means the equality in value of the aggregate amounts expected to be received under different forms of payment using actuarial assumptions as described in attached EXHIBIT A.

“Actuary” or “Plan Actuary” means an actuary who is enrolled by the Joint Board for the Enrollment of Actuaries and is selected by the Committee from time to time to provide the actuarial reports and perform the actuarial services for the Plan.

“Affiliate Employers” means the Commuter Rail Division of the Authority, the Suburban Bus Division of the Authority, the Northeast Illinois Regional Commuter Railroad Corporation and other such entities affiliated with the Authority as are designated by the Authority as Affiliate Employers under this Plan which assume the obligations of the Plan with respect to their eligible Employees by the execution of appropriate agreements satisfactory in form to the Authority and the Trustee.

“Annuity Starting Date,” when used in reference to a Participant, means the first date with respect to which benefits under the Plan are payable to such Participant as an annuity or, in the case of benefits not payable in the form of an annuity, the first date on which all events have occurred which entitle the Participant to such benefits.

“Authority” means the Regional Transportation Authority, a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois, created by and existing under the Act.

“Beneficiary” means a person entitled to receive benefits under Sections 6.7, 6.10, 6A.7 or 6A.10 of the Plan by reason of the death of a Participant and designated pursuant to Section 6.13 or Section 6A.13, as applicable.

“Board” means the Board of Directors of the Authority, as from time to time constituted under the Act.

“Code” means the Internal Revenue Code of 1986, as from time to time amended. References to any Section of the Code herein shall include any successor provisions thereto.

“Committee” means the Regional Transportation Authority Pension Committee or any successor Committee formed in accordance with Article VIII of the Plan.

Effective for all determinations of Compensation earned on or before December 31, 2010, the following definition of Compensation shall be used:

“Compensation,” when used in reference to a Participant and subject to the provisions set forth below, means the salary and wages paid to or for the benefit of such Participant for services rendered as an Employee of a character required to be reported on the Federal Income Withholding Tax Statement (Internal Revenue Service Form W-2) of such Participant. Notwithstanding the foregoing, Compensation shall also include, at the time of deferral, (a) amounts contributed by an Employer on behalf of the Participant pursuant to a Section 401(k) qualified cash or deferred arrangement or Section 457 program, or (b) amounts deferred at the election of a Participant while an Employee under a cafeteria plan, 401(k) qualified cash or deferred arrangement or eligible deferred compensation plan maintained by an Employer which are excludable from such Participant’s taxable income under Section 125, 132(f), 402 or 457 of the Code.

Compensation shall include the following types of payments provided that such payments are made within the later of 2.5 months after severance from employment or the end of the Limitation Year that includes the date of severance: (i) any regular pay for services during the Employee’s regular working hours, compensation for services outside the Employee’s regular

working hours (overtime or shift differential), commissions, bonuses or other similar payments, and (ii) unused accrued bona fide sick, vacation, or other leave. Compensation shall not include payments made following a Participant's severance from employment other than those described as includible above.

Notwithstanding the foregoing, accrued vacation pay and sick pay paid to a Participant upon his termination of employment with an Employer which is attributable to a Plan Year subsequent to the Plan Year in which such Participant's termination of employment occurs shall not be taken into consideration hereunder.

Effective January 1, 2009, pursuant to Section 105(a) of the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act"), Compensation shall also include differential wage payments (as defined in Section 414(u)(12)(A) of the Code).

In addition, Compensation shall also include deferred benefits attributable to services performed while an Employee under any other nonqualified deferred compensation arrangements maintained by an Employer, provided, however, that such deferred benefits shall not be taken into account unless and until they are not subject to a substantial risk of forfeiture while the Participant is still employed by or simultaneous with his termination of employment with an Employer. Upon becoming not subject to a substantial risk of forfeiture during such period, such deferred benefits shall, for purposes of computing Final Average Annual Compensation, be deemed to be paid to the Participant as Compensation in the years to which such deferred benefits are attributable. No interest on such amounts, however, shall be taken into consideration hereunder. In the event such deferred benefits become not subject to a substantial risk of forfeiture while the Participant is still employed by or simultaneous with his termination of employment with an Employer and are subsequently forfeited by the Participant, such amounts shall not be taken into account as Compensation or Final Average Annual Compensation for any period. The amount of any benefits paid under the Plan subsequent to such forfeiture shall be adjusted accordingly to reflect such forfeiture and actuarially reduced to the extent necessary to take any benefit payments made to such Participant prior to such adjustment into account.

Notwithstanding the foregoing, the annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning on or after January 1, 2002, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. For example, for the Plan Year beginning on January 1, 2011, a Participant's Compensation is limited to \$245,000. The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the Plan Year that begins with or within such calendar year. Notwithstanding the limitations described in this paragraph, for employees who commenced service prior to January 1, 1996, the higher limitation permitted under Section 401(a)(17) of the Code that apply to participants in governmental plans shall apply to participants in the Plan, where applicable.

Effective for all determinations of Compensation earned on and after January 1, 2011, the following definition of Compensation shall be used:

"Compensation," when used in reference to a Participant and subject to the provisions set forth below, means the amounts actually paid as base salary to salaried employees and the

amounts actually paid as regular, hourly wages (excluding overtime or shift differential pay) to non-salaried employees, including, at the time of deferral, amounts deferred at the election of a Participant while an Employee under a cafeteria plan, 401(k) qualified cash or deferred arrangement or eligible deferred compensation plan maintained by an Employer which are excludable from such Participant's taxable income under Section 125, 132(f), 402 or 457 of the Code.

Compensation shall include the following types of payments provided that such payments are made within the later of 2.5 months after severance from employment or the end of the Limitation Year that includes the date of severance: (i) any regular pay for services during the Employee's regular working hours, and (ii) Paid Time Off. Compensation shall not include payments made following a Participant's severance from employment other than those described as includible above. Compensation shall also not include any nonqualified deferred compensation, amounts contributed by an Employer on behalf of the Participant pursuant to a Section 401(k) qualified cash or deferred arrangement or Section 457 program, fringe benefits other than those listed in the paragraph above, compensation for services outside the Employee's regular working hours (overtime or shift differential), commissions, bonuses or other similar payments.

Notwithstanding the foregoing, accrued vacation pay and sick pay paid to a Participant upon his termination of employment with an Employer which is attributable to a Plan Year subsequent to the Plan Year in which such Participant's termination of employment occurs shall not be taken into consideration hereunder.

Effective January 1, 2009, pursuant to Section 105(a) of the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act"), Compensation shall also include differential wage payments (as defined in Section 414(u)(12)(A) of the Code).

Notwithstanding the foregoing, the annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning on or after January 1, 2002, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. For example, for the Plan Year beginning on January 1, 2011, a Participant's Compensation is limited to \$245,000. The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the Plan Year that begins with or within such calendar year. Notwithstanding the limitations described in this paragraph, for employees who commenced service prior to January 1, 1996, the higher limitation permitted under Section 401(a)(17) of the Code that apply to participants in governmental plans shall apply to participants in the Plan, where applicable.

"Continuous Service," when used in reference to an Employee, means the aggregate of the following months of service:

- (a) the total months of service prior to July 1, 1984, which counted as creditable service for such Employee under the Plan as then existing;

- (b) for any month beginning on or after July 1, 1984, and before January 1, 1985, one month for each month in which such Employee completed at least 83 Hours of Service;
- (c) twelve months for each Plan Year commencing on or after January 1, 1985, during which such Employee completes at least 1,000 Hours of Service; and
- (d) for any Plan Year commencing on or after January 1, 1985, which is such Employee's first or last year of Employment and for which Continuous Service is not earned under paragraph (c) above, one month for each month in which such Employee completes at least 83 Hours of Service;

provided, however, that for purposes of determining "Continuous Service," months of service for Employees of an Affiliate Employer shall not include months of service occurring in Plan Years beginning before June 1, 1981; and provided, further, that except for Participants who have a nonforfeitable right to an Accrued Benefit, periods of Continuous Service completed before (i) at least a One-Year Break in Service ending before January 1, 1985, or (ii) at least five consecutive One-Year Breaks in Service ending after December 31, 1984, shall not be taken into account if the aggregate period of such One-Year Break(s) in Service equals or is longer than the aggregate period of such Continuous Service completed prior to such One-Year Break(s) in Service (but Prior Service Credit for such periods of service shall be awarded in the manner provided in Article V hereof). Such period of Continuous Service before such One-Year Break(s) in Service shall be deemed not to include any Continuous Service similarly not required to be taken into account by reason of one or more prior One-Year Break(s) in Service.

Solely for the purpose of determining whether an Employee has completed at least ten years of Credited Service as is required in order to receive a benefit under Section 6.2 or 6.3 or at least five years of Credited Service as is required in order to receive a benefit under Section 6.4, but not for the purpose of determining the amount of such Employee's Accrued Benefit or any other benefit to which he is entitled hereunder, (A) such Employee's Continuous Service shall include any period of service with a predecessor organization if such service would qualify as Continuous Service hereunder had such predecessor organization been an Employer at the time the service was provided and such Employee commenced Employment after June 1, 1984, as a result of the purchase of substantially all of the assets or stock of such predecessor organization by an Employer, (B) such Employee shall be treated as an Employee and credited with Hours of Service in the manner described hereunder and Continuous Service in the manner described above for any period during which he is in an employee-employer relationship with an Employer, regardless of whether he is included in a collective bargaining unit and has his conditions of Employment covered by a collective bargaining agreement and (C) such Employee shall be credited with 12 months of Continuous Service, less the number of months of Continuous Service credited to such Employee under paragraph (b) of this definition, if such Employee completed at least 1,000 Hours of Service during the year commencing July 1, 1984, and ending June 30, 1985.

In lieu of the foregoing method of determining "Continuous Service," in the event an Employee is a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or Suburban Bus Division of the Authority, such

Employee shall be credited with Continuous Service for the entire period during which he serves in such capacity, beginning with the date on which such Employee is nominated to serve as such a director.

“Credited Service,” when used in reference to an Employee, means the following periods of service:

- (a) the period of Continuous Service completed by such Employee;
- (b) any Prior Service Credit to which such Employee is entitled, as determined in accordance with Article V hereof; and
- (c) any service credit purchased by an Employee is entitled, as determined in accordance with Article V-A hereof.

Notwithstanding the foregoing, service credit described in subsection (c) above shall not be counted in determining if an Employee has five (5) years of Credited Service for purposes of Vesting.

Service credit purchased in accordance with Article V-A shall not result in a corresponding increase to the Employee’s age under the Plan.

“Disability” or “Disabled,” when used in reference to a Participant, means such Participant is qualified to receive benefits under the long-term disability plan in which his Employer participates.

“Early Retirement Date,” when used in reference to a Participant, means the first day of the month coincident with or next following the date on which such Participant has both attained at least age 55 and completed at least ten years of Credited Service.

“Effective Date,” when referring to the establishment of the Plan, means July 1, 1976; the effective date of this amended and restated plan is January 1, 2016.

“Employee” means each individual in an employee-employer relationship with an Employer, including any individual who serves as a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority; provided, however, that no employee of the Chicago Transit Authority shall be deemed to be an Employee for purposes of the Plan and no employee of an Employer who is included in a collective bargaining unit and whose conditions of employment are covered by a collective bargaining agreement shall, except as otherwise expressly provided herein, be deemed to be an Employee for purposes of the Plan if there is evidence that retirement benefits were the subject of good faith bargaining between representatives of such unit and such Employer, unless such collective bargaining agreement makes this Plan applicable to such employee. In addition, the term “Employee” shall specifically not include any “leased employee” within the meaning of Section 414(n) of the Code, notwithstanding that such person is required to be treated as an employee for purposes of determining whether the Plan satisfies the minimum coverage requirements of the Code and regardless of whether or not such person is covered under a safe harbor money purchase plan within the meaning of Section 414(n) of the Code.

“Employer” means the Authority or an Affiliate Employer.

“Employment” means service as an employee of any Employer.

“Final Average Annual Compensation,” when used in reference to a Participant, means the average of the annual Compensation received by such Participant in the three calendar years, whether or not consecutive, of his service as an Employee in which he received his highest rate of annual Compensation, or where a Participant has less than three calendar years of service as an Employee, the average of his annual Compensation during his entire period of service as an Employee. For purposes of computing Final Average Annual Compensation only, the annual Compensation of a Participant who completes 1,000 Hours of Service during the calendar year in which he terminates employment shall be deemed to be for the year in which he terminates employment the basic salary, excluding overtime or shift differential, the Participant would have received had he remained employed until the end of the calendar year, if greater than the compensation actually earned for such year.

Notwithstanding the foregoing or any Plan provision to the contrary, effective January 1, 2011, for purposes of computing Final Average Annual Compensation, if the calendar year in which the Participant terminates employment is determined to be one of the three calendar years during which he earned the highest rates of annual Compensation, the annual Compensation taken into account for purposes of the final twelve (12) months of employment shall not exceed the average of the other two highest years by more than fifteen percent (15%).

For the limited purpose of computing Final Average Annual Compensation for each Participant in the Plan as of December 31, 2010, the Participant’s Final Average Annual Compensation shall be the greater of:

- (a) the Final Average Annual Compensation of such Participant calculated as though the Participant had retired on December 31, 2010, or
- (b) the Final Average Annual Compensation of such Participant calculated as of the Participant’s actual termination from employment.

For purposes of subsection (a) above, all Paid Time Off earned through December 31, 2010 shall be credited to the 2010 Plan Year in determining the three calendar years during which the Participant earned the highest rates of annual Compensation on or before December 31, 2010 and such amount shall not be subject to the fifteen percent (15%) limitation described in the second paragraph above. Notwithstanding the foregoing, accrued vacation pay and sick pay that would be paid to a Participant upon his termination of employment with an Employer that is attributable to a Plan Year subsequent to the Plan Year in which such Participant’s termination of employment occurs shall not be taken into consideration hereunder.

“Forfeiture” means such part (or all) of a Participant’s Accrued Benefit as shall not be distributable to him or his Beneficiary and is thus forfeited in accordance with the provisions of Section 6.4.

“Fund” means the entire trust fund from time to time held by the Trustee pursuant to the Trust for the purposes of the Plan.

“Hours of Service,” when used in reference to an Employee, means (a) each hour for which he is either directly or indirectly paid or entitled to payment by an Employer for the performance of duties, (b) each hour for which he is directly or indirectly paid, or entitled to payment, by an Employer on account of a period of time during which no duties are performed and (c) each hour for which back pay, irrespective of mitigation of damages, has been awarded to the Employee or agreed to by an Employer, subject to the following:

- (a) an Employee who is employed on an hourly-rated basis shall be credited with the number of regularly scheduled working hours included in a period of time (or eight Hours of Service for each day if he has no regular work schedule) for which he is directly or indirectly paid, or entitled to payment, by an Employer for reasons other than the performance of duties, including vacation, jury duty and sickness;
- (b) an Employee who is employed other than on an hourly-rated basis shall be credited with ten Hours of Service for each day for which he would, if hourly-rated, be credited with at least one Hour of Service pursuant to the foregoing;
- (c) an Employee shall be credited with eight Hours of Service per day (to a maximum of 40 Hours of Service per week) for any period during which he is absent from active Employment because he is in Military Service, provided he returns to active Employment within the time allowed by law after the conclusion of such Military Service; and
- (d) solely for the purpose of determining whether he has incurred a One-Year Break in Service, an Employee shall also be credited with eight Hours of Service per day (to a maximum of 40 Hours of Service per week) for any period during which he is absent from active Employment because he is Disabled (except as otherwise provided in Section 6.3) or is on an unpaid approved leave of absence or is on an unpaid Maternity or Paternity Leave. Hours of Service credited with respect to an unpaid Maternity or Paternity Leave shall be credited (A) in the Plan Year containing the first day of such Maternity or Paternity Leave if the Participant would otherwise incur a One-Year Break in Service but for such Hours of Service, and, if not, (B) in the following Plan Year.

“Limitation Year” means the calendar year.

“Maternity or Paternity Leave,” when used in reference to an employee of an Employer, means any period beginning after December 31, 1984, in which such employee is absent from active Employment for any of the following reasons:

- (a) because the employee is pregnant;
- (b) because a child is born to the employee;
- (c) because a child is placed with the employee in connection with the employee’s adoption of such child; or

- (d) because the employee is caring for such child immediately following its birth or placement;

provided, however, that an employee shall not be deemed to be on a Maternity or Paternity Leave unless he files a written statement describing the reason for such Leave with the Committee prior to the commencement of such Leave, and subsequently provides to the Committee such further information regarding the nature and duration of such Leave as the Committee may require.

“Military Service” means service rendered in any branch, department, agency or subdivision of the Armed Forces of the United States of America, the National Guard, and the commissioned corps of the Public Health Service which entitles the person rendering such service to re-Employment under the laws of the United States of America from time to time in force and effect upon compliance with the conditions therein prescribed.

“Normal Retirement Date,” when used in reference to a Participant, means the first of the month coincident with or next following the date on which such Participant attains age 65.

“One-Year Break in Service,” when used in reference to an employee of an Employer, means a Plan Year during which he has not completed more than 500 Hours of Service.

“Paid Time Off” means payments received in lieu of unused, accrued bona fide sick, vacation, or other leave time of a Participant which are payable to such Participant upon termination of employment with the Employer.

“Participant” means an Employee or a former Employee who is eligible to receive benefits under the Plan.

“Plan” means the Regional Transportation Authority Pension Plan, as set forth herein and from time to time amended.

“Plan Administrator” means the Committee or such other person or organization as may be appointed to act in that capacity by the Committee pursuant to Section 8.2.

“Plan Year” means the calendar year.

“Prior Service Credit” means credit given an Employee for periods of service with certain former employers as determined in accordance with the provisions of Article V hereof.

“Retires” or “Retired” or “Retirement” or “Retiring,” when used in reference to a Participant, means the termination of such Participant’s Employment on or after the date on which he becomes entitled to a normal or early retirement pension under Section 6.1 or Section 6.2.

“Single Life Annuity” means an annuity under which monthly payments are made to a Participant beginning on the appropriate date set forth in the Plan and continuing during the lifetime of such Participant, with the last payment being made on the first day of the calendar month in which such Participant dies.

“Spouse” means, effective June 26, 2013, the individual who is lawfully married to a Participant under the law of any United States or foreign jurisdiction having the legal authority to sanction marriages, including the common law spouse of a Participant in a legally recognized common law marriage, on the earlier of the Participant’s Annuity Starting Date or the date of the Participant’s death. The term “Spouse” does not include an individual who has entered into a registered domestic partnership, civil union or other similar formal relationship with a Participant recognized under the law of any United States or foreign jurisdiction that is not denominated as a marriage under the laws of that United States or foreign jurisdiction; provided, however, that a Civil Partner under this Plan is accorded rights similar to those accorded Spouses, as described in Article VI-A. Notwithstanding any provision of this Plan to the contrary, this provision regarding who qualifies as a Participant’s ‘Spouse’ shall be construed in accordance with Federal law.

“Trust” means the Regional Transportation Authority Pension Trust, as from time to time amended.

“Trustee” means the trustee or trustees selected by the Board from time to time acting under the provisions of the Trust.

“Vesting” occurs after the earlier of achieving five (5) years of Credited Service or reaching Normal Retirement Date.

2.2 Construction. The masculine pronoun wherever used herein shall be deemed to include the feminine and the neuter, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular whenever the context requires.

ARTICLE III

Eligibility and Duration

3.1 Eligibility. Each Employee shall become a Participant as of the Effective Date or the first day of the month coincident with or next following the date on which he commences Employment as an Employee, whichever occurs later (subject to the election process described in Sections 3.3 and 3.4 below); provided, however, that no Employee who is a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority shall become a Participant unless he files an irrevocable election to participate in the Plan with the Committee on or before January 30, 1987, or 30 days after his appointment to serve as such a director, whichever occurs later. Effective January 1, 2011, any Employee who is a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority will be permitted to opt out of participation in the Plan and voluntarily forfeit any benefit to which he is entitled under the Plan, including benefits accrued during any period of service covered by the Plan. Notwithstanding the foregoing, no Employee who is newly appointed as a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority on or after July 23, 2013 shall be eligible to participate in the Plan.

3.2 Duration. A Participant shall continue to be a Participant until his Employment terminates and also shall continue to be a Participant thereafter for so long as he is entitled to receive any benefits hereunder, regardless of when such benefits are payable. If a Participant's Employment terminates when he is not entitled to receive (then or thereafter) a benefit hereunder, he thereupon shall cease to be a Participant unless and until he thereafter again becomes an Employee.

3.3 Waiver of Participation. Each Employee hired on or after January 1, 2022 shall be eligible to make an election to waive participation in the Plan. The waiver election described in this section shall be made no later than the later of: (i) ninety (90) days following the Employee's date of hire with the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority (for purposes of this Article III, collectively, the "Transit Agencies" and separately, each a "Transit Agency") or (ii) ninety (90) days following the date on which the waiver election process is made available under applicable procedures established by the Committee. If an Employee is eligible to make the election under this Section 3.3, but attains 1,000 Hours of Service prior to the end of the Employee's applicable ninety (90) day period described above to make a valid waiver election under this Section 3.3, the Employee shall accrue a Year of Service and the election to waive participation, if any, shall apply on a prospective basis.

This election shall be made in writing in accordance with procedures established by the Committee and shall be filed with the Plan Administrator and the Transit Agency that employs the Employee and shall be effective as of the first date of eligible Employment. An eligible Employee failing to make a waiver election as described in this Section 3.3 within the ninety (90) day election period shall be enrolled automatically as a member of the Plan.

- (a) An election to waive participation in the Plan shall be irrevocable and shall remain in effect for all of the Employee's Continuous Service even if such Participant is re-employed by a Transit Agency after having ceased participation in the Plan following a termination of employment.
- (b) No election by an eligible Employee under this Section 3.3 shall be effective unless it is timely received and subsequently acknowledged by the Plan Administrator.

3.4 Re-Employment Rules Related to Participation Election. A Participant who ceases employment with all Transit Agencies before he or she becomes fully vested in his or her benefit under the Plan, and subsequently becomes reemployed by a Transit Agency in an eligible position shall immediately become eligible to accrue benefits under the Plan and such Participant's vesting in such benefit shall be determined in accordance with all applicable Plan terms.

ARTICLE IV

Contributions

4.1 Contributions by the Employers. For each Plan Year during the continuance of the Plan, the Employers shall contribute to the Fund an amount at least equal to such amount as may be determined advisable by the Plan Actuary to maintain the Plan on a sound actuarial basis. All Forfeitures shall be applied to reduce the amount of contributions otherwise payable by the Employers and no part of any Forfeiture may be applied to increase the benefits any Participant would otherwise receive under the Plan.

4.2 Employee Contributions. Participants shall make no contributions under the Plan.

ARTICLE V

Prior Service Credit

5.1 Eligibility. Any Employee whose Continuous Service with an Employer commenced prior to June 2, 1984, and who previously was employed on a full-time basis by either:

- (a) the United States, any state (including the State of Illinois), any political subdivision of any state or any agency created under an interstate compact approved by the Congress of the United States; or
- (b) any entity which, at any time during such Employee's employment with such entity, provided public transportation or freight services by bus or rail in the United States;

shall be awarded Prior Service Credit for any such period or periods of service, as computed in accordance with Section 5.2.

An Employee shall be considered to have been "full-time" if he performed the work and discharged the duties of regular employment normally requiring at least 20 hours a week and five months a year.

No Prior Service Credit shall be awarded to an Employee whose Continuous Service with an Employer commences after June 1, 1984. For purposes of this Article V, the Continuous Service of an Employee who is a member of an interim or permanent board of directors of the Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority shall be deemed to have commenced on the date such Employee is nominated to serve as such a director. Notwithstanding the above, any Employee whose Continuous Service with an Employer commenced after June 1, 1984, terminated after March 1, 1991, and who previously was employed on a full-time basis by the Chicago Transit Authority shall be awarded Prior Service Credit for any such period or periods of service **[completed prior to _____, 2022]**, as computed in accordance with Section 5.2. In addition, no Employee **[hired on or after**

_____, 2022] shall receive any Prior Service Credit for service he or she completed while employed by the Chicago Transit Authority.

5.2 Computation of Credit. For each month of Continuous Service with an Employer in excess of 23 months, an Employee shall be entitled to Prior Service Credit for four percent of any time served in previous employment which qualifies under Section 5.1, up to a maximum of 100 percent; provided, however, that no more than an aggregate of 100 percent of Prior Service Credit may be taken into account under this Plan and any plan of any Affiliate Employer. Notwithstanding anything contained in this Article V to the contrary, however, no Prior Service Credit shall be awarded to a Participant hereunder in the event the last sentence of Section 6.8 applies to such Participant.

ARTICLE V-A

Purchase of Service Credit

5.1A Eligibility. Subject to policies and procedures established by the Retirement Committee, a Participant with at least five (5) Years of Service who:

- (a) has not yet reached Normal Retirement Date, and
- (b) has not yet commenced benefit payments under the Plan can purchase service credit for up to five (5) Years of Service in monthly increments.

5.2A Purchase Window. Eligible Participants may purchase service under this Article V-A during the period beginning on [_____, 2022] and ending on [_____, 2027] unless such time is decreased by resolution, as described in Section 5.5A. Although payments to purchase service may be made on and after [_____, 2027], in order to be a valid purchase of service credit under Article V-A, the Plan Administrator must have received all information sufficient for the Plan actuary to calculate a Purchase Cost (as defined in Section 5.3A) for the requested service credit and the Participant must have elected to purchase the service credit no later than [_____, 2027].

5.3A Funding. Subject to any limitations or conditions imposed by law or the Plan and conditioned upon the Plan Administrator's receipt of all information and documentation it shall require, the funding of the purchase of service credit made in accordance with this Article V-A can be supplied by the Participant through:

- (a) an after-tax cash contribution,
- (b) a trustee-to-trustee transfer of assets from another qualified plan (e.g., 401(k), 457(b), etc.) sponsored by the Authority or a Transit Agency at the time of the purchase that permits such transfer, or
- (c) an eligible rollover distribution from another qualified plan, including, but not limited to, qualified plans sponsored by the Authority or a Transit Agency at the time of the purchase that permits such transfer.

The Plan actuary shall calculate the cost required by the Plan to pay for the service credit to be granted (the "Purchase Cost") and payment shall be made in a lump sum or installment payments in accordance with procedures established by the Committee. Payments shall not be permitted through payroll deduction. The Plan shall not accept any funding payment described above in excess of the Purchase Cost.

5.4A Irrevocability of Purchase; Termination, Disability or Death

The purchase of service credit pursuant to this Article V-A shall not be revocable; however, in the case of the Participant's termination of employment, Disability or death prior to the Participant's full payment of the Purchase Cost, the rules below shall apply.

If the Participant has not paid to the Plan the full amount of the Purchase Cost at the time a Participant (i) terminates employment, or (ii) incurs a Disability, the Participant may make an after-tax lump sum payment in accordance with procedures established by the Committee to satisfy the balance due to receive the full service credit purchased. If the Participant does not satisfy the balance due upon termination or Disability, as applicable, the Participant shall be credited with partial service credit in an amount calculated by the Plan actuary that corresponds to the portion of the service credit that has been fully paid.

If the Participant has not paid to the Plan the full amount of the Purchase Cost at the time of the Participant's death, the total service credit used in the calculation of the death benefit shall include partial service credit in an amount calculated by the Plan actuary that corresponds to the portion of the service credit that had been fully paid at the time of the Participant's death.

5.5A Permitted Uses of Service Credit. The service credit purchased in accordance with this Article 5-A can be counted as additional years of credited service, in calculating whether a Participant has met the requirements for Early Retirement, the Rule of 85, or Normal Retirement.

Notwithstanding the foregoing, service purchased under this Section shall not:

- (1) Be credited by the Plan until the Participant meets the vesting requirement in effect for the Plan, nor
- (2) Be used to satisfy the minimum years of credited service required to be a vested former Participant in the event of termination of participation, nor
- (3) Have any effect on the eligibility of a Participant to receive a lump sum distribution from the Plan, nor
- (4) Result in any increase in the age of the Participant used to calculate the Participant's benefit.

5.6A Limitations. The credited service purchased by a Participant in accordance with this Article V-A shall be subject to Section 415(n) of the Code, including all applicable limitations contained therein.

5.7A Recordkeeping. The Plan Administrator shall keep record of the resolutions described in Section 5.4A, all requests for service credit purchased under Section V-A, all calculations of the cost for such service credit, and all subsequent payments made to satisfy a Participant's obligations to pay for such service credit (including whether such payments were made on a pre-tax or after-tax basis).

5.8A Calculation of Cost of Service Credit. The Plan's Actuary shall be responsible for calculating the cost of any service credit purchased pursuant to this Article V-A. The total required payment shall not exceed the difference between the actuarial present value of the Participant's benefit after crediting the specified period of credited service and the actuarial present value of the Participant's benefit prior to crediting the specified period of credited service. The actuarial present value determinations described above shall be calculated using a unisex mortality table and the applicable interest rate used for the actuarial valuation of the Plan pursuant to procedures established by the Retirement Committee and the Plan's Actuary. The credit, under the retirement type elected and the conditions projected, shall not result in the Participant exceeding any applicable benefit accrual or payment limitation imposed by the Plan or otherwise.

The Purchase Cost shall be the actuarial present value at the time of calculation of the increased benefits associated with the increased service credit taking into account the benefit provisions of the Plan, including Participant's age, years of Credited Service, Final Average Compensation, and benefit formula.

5.9A Administrative Fee. An administrative fee, established by the Retirement Committee, shall be charged to all Participants who request the calculation of a Purchase Cost under this Article V-A.

ARTICLE VI

Benefits

6.1 Normal Retirement. Any Participant whose termination of Employment occurs on or after the later of (i) his Normal Retirement Date and (ii) August 1, 1999 shall be entitled to receive a benefit which, if payable as a Single Life Annuity, would be at the monthly rate of 1/12 of the product of his Final Average Compensation multiplied by a percentage not exceeding 70 percent, which shall be determined by multiplying 1.75 times the number of such Participant's years of Credited Service (including fractional years).

Any Participant whose termination of Employment occurs on or after his Normal Retirement Date but prior to August 1, 1999 shall be entitled to receive a benefit which, if payable as a Single Life Annuity, would be at the monthly rate of 1/12 of the product of his Final Average Annual Compensation multiplied by a percentage not exceeding 70 percent, which shall be determined by multiplying 1.5 times the number of such Participant's years of Credited Service (including fractional years).

6.2 Early Retirement. Any Participant whose termination of Employment occurs on or after his Early Retirement Date shall be entitled to receive a benefit which, if payable as a Single Life Annuity, would be computed in accordance with the formula set forth in Section 6.1, payable commencing on the first day of the month coincident with or next following his Normal Retirement Date, provided, however, that such Participant may elect to receive a pension commencing on the first day of any earlier month coincident with or following his Early Retirement Date computed in accordance with Section 6.1, but any such pension shall be reduced by (a) in the case of a Participant whose commencement date is before January 1, 1989, .25 percent for each month after such commencement date during the 60-month period immediately preceding the Participant's Normal Retirement Date, and .5 percent for each month after such commencement date during the 60-month period between such Participant's 55th birthday and his 60th birthday and (b) in the case of a Participant whose commencement date is on or after January 1, 1989, .16666 percent for each month after such commencement date and before the Participant's Normal Retirement Date. Effective for any Participant whose termination of Employment occurs on or after August 1, 1999, if the Participant has attained at least age 55 and the Participant's years of Credited Service plus his years of age equals or exceeds 85 years, the Participant shall be entitled to receive a benefit which, if payable as a Single Life Annuity, would be computed in accordance with the formula set forth in Section 6.1, payable commencing on the first day of the month coincident with or next following the date the Participant terminates Employment.

6.3 Disability Retirement. Effective for Participants who terminate Employment or are entitled to receive benefits under the long term disability plan of their Employer, in each case on or after January 1, 1997, a Disabled Participant with at least 10 years of Credited Service whose active employment has been terminated by reason of his Disability before his Normal Retirement Date shall be eligible for pension benefits commencing upon the later of his ceasing to receive long-term disability benefits under his Employer's long-term disability plan or attaining his Early Retirement Date. Regardless of whether the Participant has 10 years of Credited Service, the Credited Service of a Disabled Participant who is receiving such long-term disability benefits will not be deemed to have terminated until the earlier of (i) the date when Disability benefits cease pursuant to the terms of his Employer's long-term disability plan, or (ii) his attainment of age 65. In addition, for purposes of computing benefits under the Plan, the Compensation of a Disabled Participant who is receiving such long-term disability benefits will be deemed to continue while he is receiving such benefits at the same level of Compensation as was in effect for the Participant's last full calendar year of active Employment (or the next succeeding calendar year, if greater). A Disabled Participant shall be entitled to receive whatever pension benefits he may otherwise qualify for under the Plan by reason of his age, Credited Service and Compensation as above determined, computed in accordance with the formula set forth in Section 6.1, or if pension benefits commence prior to the Participant's Normal Retirement Date, in the manner provided in Section 6.2. Any amount of a Participant's Accrued Benefit to which he is not entitled because he has not completed at least five years of Credited Service shall constitute a Forfeiture and shall be applied as provided in Section 4.1.

6.4 Deferred Vested Benefit. Any Participant who is not otherwise entitled to a pension hereunder and whose termination of Employment occurs after he has completed at least five years of Credited Service shall be entitled to receive a benefit which, if payable as a Single Life Annuity, would be computed in accordance with the formula set forth in Section 6.1,

commencing on the first day of the month coincident with or next following his Normal Retirement Date, or if he has completed at least ten years of Credited Service and so elects, on or after his Early Retirement Date in the manner provided in Section 6.2. Any amount of a Participant's Accrued Benefit to which he is not entitled because he has not completed at least five years of Credited Service shall constitute a Forfeiture and shall be applied as provided in Section 4.1. Notwithstanding the foregoing, active Participants employed after attainment of age 65 who subsequently commence receiving benefits under their Employer's long-term disability plan, shall cease to accrue Credited Service upon commencing such long-term disability benefits. Further, a Disabled Participant shall be entitled to receive his benefits under this Plan on the date Disability ceases pursuant to the terms of his Employer's long term disability plan.

6.5 Time of Payment. Any Participant entitled to make an election to commence receiving his benefits before his Normal Retirement Date, as above provided in Section 6.2 or 6.4, shall make such election by written notice delivered to the Committee in a form acceptable to the Committee within the 180-day period ending on his Annuity Starting Date. Any such election may be revoked by such Participant at any time within such 180-day period. In the event that no election is effective, payments shall commence on the first day of the month coincident with or next following the Participant's Normal Retirement Date, unless the Participant continues in Employment with the Authority or an Affiliate Employer beyond his Normal Retirement Date, in which event payments shall, subject to Section 6.14, commence on the first day of the month coincident with or next following his Retirement.

6.6 Normal Method of Payment. Unless he elects otherwise in accordance with Section 6.7 (with the consent of his Spouse), the pension benefit of a Participant who is married on his Annuity Starting Date shall be paid in the form of a joint and survivor annuity under which a reduced monthly pension amount shall be payable to the Participant during his lifetime and then after his death, 50 percent of such reduced monthly pension amount shall be payable to the Spouse to whom such Participant was married on his Annuity Starting Date, if such Spouse survives the Participant, for the lifetime of such Spouse (the "Qualified Joint and Survivor Annuity"). The reduced amount payable to the Participant and such Spouse shall be determined so that the aggregate pension payments expected to be made to the Participant and such Spouse under the Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI. The last payment of the Qualified Joint and Survivor Annuity shall be made as of the first day of the month in which occurs the death of the survivor of the Participant and such Spouse.

Unless he elects otherwise in accordance with Section 6.7, if a Participant is not married on his Annuity Starting Date, his pension benefit shall be paid in the form of a Single Life Annuity.

6.7 Other Payment Options. In lieu of the method of payment described under Section 6.6, a Participant, by written election delivered to the Committee in a form acceptable to the Committee within the 180-day period which ends on his Annuity Starting Date, and subject to the Spousal consent provisions described in this Section 6.7, may elect to take his pension in the one of the optional forms described below:

- (a) **Joint and Survivor Annuity:** For purposes of this Section 6.7, a joint and survivor annuity is a pension under which a reduced monthly pension amount is payable to the Participant during his lifetime and then after his death 100%, 75% or 50% of such reduced monthly pension amount is payable to the Beneficiary designated by such Participant pursuant to Section 6.13 (if then living) for the lifetime of such surviving designated Beneficiary. The reduced amount payable to the Participant and his designated Beneficiary shall be determined so that the aggregate pension payments expected to be made to the Participant and such designated Beneficiary under the joint and survivor annuity option shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI based on actuarial assumptions as described in Exhibit A of the Plan.
- (b) **Joint and Survivor Annuity with “Pop-Up”:** A Participant may elect a joint and survivor annuity as described in subsection (a) above with his Spouse as the designated Beneficiary, under which the Participant receives a reduced monthly pension amount payable to the Participant while both the Participant and his Spouse are living, but with the following additional features:
- (1) If the retired Participant shall predecease the Spouse, the Spouse shall receive the portion of the monthly benefit (100%, 75% or 50%) of the joint and survivor annuity as designated in the election form for the remainder of the surviving Spouse’s lifetime; or
 - (2) If the Spouse predeceases the retired Participant, the monthly amount payable to such retired Participant shall be adjusted to the amount of the Single Life Annuity before adjustment for election of the Joint and Survivor Annuity with the “Pop-Up”.
- (c) **Ten-year Term Certain and Life Annuity:** A ten-year term certain and life annuity is a pension under which a reduced monthly pension amount is payable to the Participant during his lifetime and, in the event of his death before the end of the ten-year period commencing on his Annuity Starting Date, the same monthly pension amount shall be payable for the remainder of such ten-year period to his Beneficiary, as designated in accordance with Section 6.13. The amount payable to the Participant and his Beneficiary shall be determined so that the aggregate pension payments expected to be made to the Participant and such Beneficiary under the ten-year term certain and life annuity shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI based on actuarial assumptions as described in Exhibit A of the Plan.
- (d) **Single Life Annuity:** A single life annuity is a monthly pension benefit payable to the Participant during his lifetime, adjusted, if required, by the terms of the Plan for an Annuity Starting Date that occurs prior to the Participant’s Normal Retirement Date.

- (e) **Single Lump Sum:** In the event the Participant terminates Employment on or after his Normal Retirement Date, the Participant may elect a single, lump sum distribution; provided, however, that this lump sum distribution option shall not be available to any Participant who has no Continuous Service for any time period prior to January 1, 2011. The single lump sum payment shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI based on actuarial assumptions as described in Exhibit A of the Plan.

Notwithstanding any provisions of the Plan to the contrary, all forms of payment under the Plan shall conform to the applicable requirements of Section 401(a)(9) of the Code, including the incidental death benefit requirement of Section 401(a)(9)(G), and the Treasury regulations thereunder.

All elections made pursuant to this Section 6.7 shall be revocable by a Participant within the 180-day period ending on his Annuity Starting Date and shall become inoperative and of no effect (except as otherwise provided in subsection (b) of this Section 6.7 or Section 6.10) if either the Participant dies prior to his Annuity Starting Date or he elects the joint and survivor annuity option and his designated Beneficiary dies prior to such Participant's Annuity Starting Date. An election of method of distribution under this Section 6.7 by a married Participant shall not be effective unless:

- the Spouse, if any, of the Participant who would otherwise become a Beneficiary under Section 6.6 if such Spouse survives the Participant consents to such election and such consent acknowledges the effect of the election and is notarized;
- the Participant establishes to the satisfaction of the Committee that such consent cannot be obtained because such Spouse cannot be located or because of such other acceptable circumstances as the Secretary of the Treasury may by regulations prescribe; or
- the method of distribution elected is the joint and survivor annuity form with such Spouse named as designated Beneficiary and entitled to at least a 50 percent survivor benefit.

The Committee shall furnish to each Participant written notification of the availability of the method of payment options no more than 180 days and no earlier than 30 days prior to his Annuity Starting Date. Such notification shall include an explanation of the Qualified Joint and Survivor Annuity, the Participant's right to elect to waive the Qualified Joint and Survivor Annuity, the effect of such an election, the right of the Participant's Spouse with respect to such an election and the Participant's right to revoke such an election, and shall also contain a general description of the eligibility conditions and other material features of the optional forms of benefit payable under the Plan and sufficient additional information to describe the relative values of such optional forms of benefit. Such notification shall also inform the Participant that, upon his request to the Committee during the period in which such election is available, the Committee will furnish to such Participant a written explanation of the financial effect upon the Participant's annuity (in terms of dollars per annuity payment) of making an election to take any available option.

Notwithstanding the foregoing, the Plan may provide the written explanation of the Qualified Joint and Survivor Annuity after the Participant's Annuity Starting Date if the Participant

affirmatively elects an Annuity Starting Date that occurs on or before the date the written explanation of the Qualified Joint and Survivor Annuity is provided (a “Retroactive Annuity Starting Date”) and the requirements of applicable Treasury regulations issued under Code Section 417(a)(7)(A) are satisfied; provided that a Participant may not elect a Retroactive Annuity Starting Date if the Participant is eligible for and elects a lump sum distribution. Where a Participant elects a Retroactive Annuity Starting Date, the date of the Participant’s actual first payment shall be substituted for the Annuity Starting Date for purposes of satisfying the 180-day notice and consent requirements specified in Section 6.5 and this Section 6.7. Regardless of whether a Participant elects a Retroactive Annuity Starting Date, and notwithstanding any other provision of this Section 6.7, the Participant (and Spouse, if required) may elect an Annuity Starting Date that is within less than 30 days from the receipt of the written explanation so long as (1) the Participant is clearly informed that he has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity or Single Life Annuity and consent to another form of distribution; and (2) the Participant is permitted to revoke an affirmative distribution election until the later of the Annuity Starting Date or the expiration of a seven-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant.

6.8 Set-off for Retirement Benefits Payable Under Prior Plans. The pension otherwise payable under this Article VI to a Participant who has maintained vested benefits in a pension plan or plans maintained by a prior employer (“prior plan”) shall be reduced by the total of the “pensions payable” under such other plans, multiplied by the percent of his total prior service with the previous employer or employers paying such pensions which is counted as Prior Service Credit under Article V hereof. For purposes of this Section 6.8, “pensions payable” under prior plans means the pension amount which the Participant would be entitled to receive under the prior plan or plans if he elected to receive a monthly payment from such plan or plans commencing on the same date as his payments from this Plan commence and computed under a method of payments option comparable to the option chosen under this Plan. In the event that in the opinion of the Committee, the prior plan provides no option comparable to the option selected by the Participant under this Plan, the Committee shall request the Plan Actuary to compute the benefits which would be payable under such prior plan as if the option selected under this Plan were available under the prior plan, and such amount shall then constitute the “pensions payable” under the prior plan for purposes of this Section 6.8. In no event shall “pensions payable” be deemed to include retirement benefits received by the Participant under either the Social Security Act or the Railroad Retirement Act. Notwithstanding anything contained in the Plan to the contrary, in the event a Participant’s retirement benefits hereunder would be greater if such Participant did not receive any Prior Service Credit under Article V and the set-off contained in this Section 6.8 did not apply, such Participant shall not be awarded any Prior Service Credit and the set-off contained in this Section 6.8 shall be disregarded when computing such Participant’s retirement benefits hereunder.

6.9 Re-Employment. If a Participant whose Employment has been terminated is re-Employed by an Employer, any pension which he may receive under the Plan shall be suspended during the period of such re-Employment except as provided in Section 6.14, and the pension to which he is entitled upon his subsequent Retirement or other termination of Employment shall be redetermined in accordance with the Plan as then in effect taking into account the Participant’s Compensation and Credited Service accumulated both before and after such prior termination,

provided, however, that the pension amount as redetermined hereunder shall be reduced by the Actuarial Equivalent of any benefits which may previously have been paid to the Participant under the Plan.

6.10 Death Benefits. If a Participant dies on or after his Annuity Starting Date, death benefits, if any, shall be paid to such Beneficiary and in such manner as is provided under Section 6.6 or 6.7 for the method of payment pursuant to which benefits were paid to the Participant prior to his death.

If a Participant dies before his Annuity Starting Date, no benefits shall be payable under the Plan except as provided below:

- (a) If a Participant Retires and dies before his Annuity Starting Date, then his surviving Spouse, if any, shall receive a benefit equal to the benefit such Spouse would have received if the Participant had commenced receiving a Qualified Joint and Survivor Annuity pursuant to Section 6.6 on the day before he died.
- (b) If a Participant dies while an employee of an Employer after having attained his Normal Retirement Date or Early Retirement Date, in either case before his Annuity Starting Date, then his surviving Spouse, if any, shall receive a benefit equal to the benefit such Spouse would have received if the Participant had commenced receiving a Qualified Joint and Survivor Annuity pursuant to Section 6.6 on the day before he died.
- (c) If a Participant entitled to a deferred vested benefit pursuant to Section 6.4 dies either while an employee of an Employer or after termination of Employment, in either case before his Annuity Starting Date, then his surviving Spouse, if any, shall receive a benefit equal to the benefit such Spouse would have received if the Participant (i) had terminated Employment on the earlier of the date of his death or the date of his actual termination of Employment, (ii) survived to the age at which he would first have been entitled to commence receiving benefits under the Plan, (iii) commenced receiving his pension as a Qualified Joint and Survivor Annuity under Section 6.6 on that date and (iv) died the following day.
- (d) If a Participant with a vested benefit under the Plan dies while an employee of an Employer or after termination of Employment, but before his annuity starting date, and such Participant does not have a surviving Spouse at the time of his death, then a benefit shall be payable to one or more Dependents of the Participant surviving at the Participant's death. For purposes of this Section 6.10(d), the term "Dependent" shall have the meaning set forth in Code Section 152(0(1)); provided however, that benefits shall not be paid to any Dependent after the month in which the Dependent reaches age twenty-six (26). The benefit for the surviving Dependent (or Dependents) will be a monthly amount equal to 50% of the Participant's accrued benefit as of his date of death.
- (e) If a Participant dies while an Employee of an Employer but prior to his annuity starting date, and at the date of his death, the Participant was eligible for a "Rule

of 85” retirement benefit in accordance with Section 6.2 of the Plan, then the Participant’s surviving Spouse, if any, shall be entitled to receive a 100% joint and survivor benefit, calculated in accordance with Section 6.1, payable commencing on the first day of the month coincident with or next following the date of the Participant’s death.

- (f) A surviving Spouse’s monthly pension payable under this Section 6.10 shall be payable to the Spouse each month commencing with the first day of the month following the later of the month in which the Participant dies or the month in which the Participant would have first been entitled to receive benefits if he had survived, as described above, and ending with the month in which such surviving Spouse’s death occurs.

In the event a Participant properly elected pursuant to Section 6.7 within the 180-day period prescribed therein to receive a joint and 75% survivor annuity with his Spouse designated as his Beneficiary or a joint and 100% survivor annuity with his Spouse designated as his Beneficiary and such Participant dies before his Annuity Starting Date, then the term “Qualified Joint and Survivor Annuity” for purposes of applying this Section 6.10 shall mean the actual form of joint and survivor annuity elected by the Participant instead of the joint and 50% survivor annuity described in Section 6.6. In addition, notwithstanding any other provision of the Plan to the contrary, in the event a Participant terminates employment by reason of death or otherwise on or after his Normal Retirement Date, but dies before his Annuity Starting Date, then the term “Qualified Joint and Survivor Annuity” for purposes of applying this Section 6.10 shall mean the joint and 100% survivor annuity, instead of the joint and 50% survivor annuity described in Section 6.6. In lieu of receiving said 100% survivor annuity pursuant to the immediately preceding sentence, the surviving Spouse of such a Participant may elect, in such manner as the Committee may prescribe, to receive a single, lump sum distribution equal to the lump sum amount such Participant would have been entitled to receive pursuant to Section 6.7 as of the date of such Participant’s death; provided, however, that the lump sum option described in this sentence will not be available if the Participant had no Continuous Service for any time period prior to January 1, 2011.

6.11 Effect of Amendments to Plan Changing Benefits. All rights and benefits, if any, provided under the Plan for any Participant or the Beneficiary of any Participant shall be determined under the terms and provisions of the Plan as they exist at the time such Participant’s Employment with the Employer terminates, whether by death, Retirement, resignation, discharge or otherwise, and such benefits as so determined and fixed shall not be changed by amendments to the Plan effective after such termination of Employment except as otherwise required by the Code or the Employee Retirement Income Security Act of 1974.

6.12 Small Payment Option. In the event that the present value (calculated in the manner specified in the schedule of actuarial assumptions set forth in Exhibit A) of the vested accrued benefit payable hereunder to any Participant and Beneficiary does not exceed \$1,000, such present value shall be paid to such Participant or Beneficiary in a single lump sum and such payment shall be a complete discharge of any obligations to the Participant or Beneficiary hereunder. No distribution shall be made under this Section 6.12 after the Participant’s Annuity Starting Date or after the date on which the payment of benefits commences pursuant to Section

6.10 without the written consent of the Participant and his Spouse, if any, or, if the Participant has died, of his surviving Spouse. For this purpose, spousal consent shall be given in the manner described in Section 6.7. If a Participant terminates employment prior to becoming vested in any portion of his benefit under the Plan, such Participant (or his Beneficiary) shall be deemed to have received payment of the entire amount to which he is entitled under the Plan at the time of such termination, and such deemed payment shall be a complete discharge of the Plan's obligation to the Participant (or Beneficiary).

6.13 Designation of Beneficiary. In the event a Participant dies after his Annuity Starting Date and survivor benefits are payable under Section 6.7, such benefits shall be paid in the manner described in Section 6.7 to such person or persons and in such proportions as may be designated by the Participant in writing, in a form acceptable to the Committee, executed by such Participant and filed with the Committee within the 180-day period ending on his Annuity Starting Date. However, a designation of a Beneficiary by a married Participant shall not be effective unless consented to by the Spouse to whom such Participant is married on his Annuity Starting Date in the manner set forth in Section 6.7. If a Participant has commenced receiving his benefits under a joint and survivor annuity and his designated Beneficiary does not survive him, no benefits shall be payable hereunder after such Participant's death. If death benefits are payable under the ten-year term certain and life annuity pursuant to Section 6.7 and no designated Beneficiary is then living, benefits becoming payable under such ten-year term certain and life annuity shall be paid:

- (a) to the surviving Spouse of the Participant, if any;
- (b) if there is no surviving Spouse, then to the Participant's descendants, per stirpes, if any; or
- (c) if there is neither a surviving Spouse nor any surviving, descendant, then to the estate of the Participant.

6.14 Employment After Normal Retirement Date. In the event a Participant continues in Employment with the Employer beyond his Normal Retirement Date and either (a) completes less than 40 Hours of Service (including for this purpose only actual hours for which he is paid for the performance of duties or hours for which he is paid on account of a period of time during which no duties are performed) in each subsequent calendar month or (b) if actual Hours of Service are not determined or used for the Participant under the Plan, receives payment from the Employer for Hours of Service on less than eight days in each subsequent calendar month, payment of benefits with respect to such Participant shall commence on the first day of the first month coinciding with or next following his Normal Retirement Date, or on the first day of any subsequent month in which the requirements of (a) or (b) are satisfied. Any other Participant who continues in Employment with the Employer beyond his Normal Retirement Date shall continue to accrue benefits and have his normal retirement benefit computed in the manner described in Section 6.1, with the payment of such pension commencing at the time set forth in Section 6.5.

6.15 Eligible Rollover Distribution Options. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a

distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(a) Definitions

- (i) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: (A) any distribution that is one of a series of substantially equal payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and (C) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (ii) “Eligible retirement plan” means an individual retirement account described in Section 408(a) or Section 408A(b) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee’s eligible rollover distribution. Effective for distributions made after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code.
- (iii) “Distributee” includes an employee or former employee. In addition, the employee’s or former employee’s surviving Spouse and the employee’s or former employee’s Spouse or former Spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code, or distributees with regard to the interest of the Spouse or former Spouse.
- (iv) “Direct Rollover” means a payment by the Plan to the eligible retirement plan specified by the distributee.

- (b) Notwithstanding anything in the Plan to the contrary, a Participant's non-Spouse Beneficiary may direct that a lump sum payment made to the non-Spouse Beneficiary be transferred in a direct trustee-to-trustee transfer to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code in accordance with Section 402(c)(11) of the Code.

6.16 Maximum Annual Benefits.

- (a) Benefit Limits. Any provisions of the Plan to the contrary notwithstanding, any annual benefit accrued, distributed, or otherwise payable by the Plan shall not exceed the limitation of Code Section 415(b), to the extent those limitations apply to governmental plans. In no event shall the maximum annual benefit attributable to Employer contributions that is payable to a Participant in the mode of a single life annuity commencing on his Normal Retirement Date, exceed the lesser of:
 - (1) \$185,000, as adjusted, effective January 1 of each year, under Code Section 415(d) in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity (the "Defined Benefit Dollar Limitation"). A limitation as adjusted under Code Section 415(d) will apply to Limitation Years ending with or within the calendar year for which the adjustment applies.
 - (2) One hundred percent (100%) of the Participant's average annual 415 Compensation for the three (3) consecutive calendar years during which the Participant received the greatest aggregate 415 Compensation from the Employer whether or not the Employee was a Participant in the Plan when the 415 Compensation was received. (This limitation shall also apply to benefits commencing on a Participant's Normal Retirement Date or Retirement dates pursuant to Sections 6.2, 6.3 or 6.4, as applicable.) In the case of a Participant who is rehired by the Employer after a severance from employment, the Participant's high three-year average 415 Compensation shall be calculated by excluding all years for which the Participant performs no services for and receives no compensation from the Employer (the break period) and by treating the years immediately preceding and following the break period as consecutive. Effective on or after January 1, 2008, in the case of a Participant who is employed by the Employer for less than three years, the Participant's high three-year average 415 Compensation shall be calculated using the actual number of consecutive years of service (including fractions of years, but not less than one year). A Participant's 415 Compensation for a Limitation Year shall not include 415 Compensation in excess of the limitation under Code Section 401(a)(17) that is in effect for the calendar year in which such Limitation Year begins.

In the event that the annual benefit otherwise payable to a Participant who has retired or terminated employment has been limited by the dollar limitation of Section 6.16(a)(1) above,

such limited annual benefit shall be increased by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Code Section 415(d).

- (b) Exception for Annual Payments not in Excess of \$10,000. In the event that the annual benefit payable to a Participant under this Plan and all other defined benefit plans of the Employer does not exceed \$10,000 for the Plan Year or any prior Plan Year, and the Employer has not at any time maintained a separate defined contribution plan in which the Participant participated, the limitation otherwise imposed by this Section 6.16 shall not apply.
- (c) Special Rule for Years of Service and Participation less than 10.
 - (1) In the event that a Participant has less than ten (10) years of service with the Employer, the limitations referred to both in the foregoing subsection 6.16(a)(2) and in Section 6.16(b) above shall be multiplied by a fraction, the numerator of which is the Participant's number of years of service (or 1, if greater) with the Employer and the denominator of which is ten (10).
 - (2) In the event that a Participant has less than ten (10) years of participation in the Plan, the limitation referred to in the foregoing subsection 6.16(a)(2) above shall be multiplied by a fraction, the numerator of which is the Participant's number of years of participation in the Plan (or 1, if greater) and the denominator of which is ten (10).

In no event shall this Section 6.16(c) reduce the limitations to an amount less than one-tenth (1/10th) of such limitations if determined without regard to this Section.

- (d) Adjustments to Limitation for Form of Payment. Except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section 6.16(d). Effective on and after January 1, 2008, for a Participant who has or will have distributions commencing at more than one Annuity Starting Date, the annual straight life annuity shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this Section 6.16 as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Section 1.401(a)-20, Q&A 10(d), and with regard to Section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury Regulations.

No actuarial adjustment to the benefit shall be made for: (1) 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; (2) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, pre-retirement incidental death benefits, and post-retirement medical benefits); or (3) the inclusion in the form

of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Section 6.16(d), and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Section 6.16 applicable at the Annuity Starting Date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the annual straight life annuity shall take into account 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 Section 1.411(d) 4, Q&A-3(c) of the Treasury Regulations, but shall disregard benefits attributable to employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with Subsection (1) or (2) below.

- (1) Benefit Forms Not Subject to Section 417(e)(3). The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this Section 6.16(d)(1) if the form of the Participant's benefit is either: (i) a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified pre-retirement survivor annuity, the life of the Surviving Spouse), or (ii) an annuity that decreases during the life of the Participant merely because of the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).
 - (i) Limitation Years beginning before January 1, 2008. For Limitation Years beginning before January 1, 2008, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and (ii) a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.
 - (ii) Limitation Years beginning on or after January 1, 2008. For Limitation Years beginning on or after January 1, 2008, the actuarially equivalent straight life annuity is equal to the greater of (i) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same Annuity

Starting Date as the Participant's form of benefit; and (ii) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

- (2) Benefit Forms Subject to Section 417(e)(3). The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this paragraph if the form of the Participant's benefit is other than a benefit form described in Section 6.16(d)(1) above. In this case, the actuarially equivalent straight life annuity shall be determined as follows:
- (i) Annuity Starting Date in Plan Years Beginning After 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of: (A) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; (B) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the Applicable Mortality Table; and (C) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table, divided by 1.05.
 - (ii) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (A) the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and (B) a 5.5 percent interest rate assumption and the Applicable Mortality Table.
 - (iii) Annuity Starting Date in Plan Years Beginning Prior to 2004. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning prior to 2004, the actuarially equivalent

straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (A) the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and (B) the Applicable Interest Rate and the Applicable Mortality Table.

- (e) Adjustment for Early Payments. If a Participant's annual retirement allowance begins before the Participant attains age 62, the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) above applicable to the Participant shall be adjusted as follows:
- (1) Limitation Years Beginning Before January 1, 2008. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before January 1, 2008, the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) (adjusted under Section 6.16(c)(1) for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for actuarial equivalence; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table.
 - (2) Limitation Years Beginning on or after January 1, 2008.
 - (i) Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after January 1, 2008, and the Plan does not have a immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) above for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) above (adjusted under Section 6.16(c)(2) above for years of participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for the Annuity Starting Date

(and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

- (ii) Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after January 1, 2008, and the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the lesser of the limitation determined under Section 6.16(e)(2)(i) above and the Defined Benefit Dollar Limitation (adjusted under Section 6.16(c)(2) above for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Section 6.16.
- (f) Adjustment for Late Payments. If a Participant's annual retirement allowance begins after the Participant attains age 65, the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) above applicable to the Participant shall be adjusted as follows:
- (1) Limitation Years Beginning Before January 1, 2008. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before January 1, 2008, the defined benefit dollar limitation set forth in Section 6.16(a)(1) for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) (adjusted under Section 6.16(c)(2) for years of participation less than 10, if required) with the actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table.
 - (2) Limitation Years Beginning on or after January 1, 2008.
 - (i) Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after January 1, 2008, and the Plan does not have an immediately commencing straight life annuity payable at both age

65 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) above (adjusted under Section 6.16(c)(2) above for years of participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for the Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

- (ii) Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after January 1, 2008, and the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the lesser of the limitation determined under Section 6.16(0)(i) above and the Defined Benefit Dollar Limitation (adjusted under Section 6.16(c)(2) above for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Section. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.
- (g) Special Rule. Notwithstanding the other requirements in Sections 6.16(e) and 6.16(f), no adjustment shall be made to the Defined Benefit Dollar Limitation set forth in Section 6.16(a)(1) to reflect the probability of a Participant's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made.

For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified pre-retirement survivor annuity, as defined in Code Section 417(c), upon the Participant's death.

- (h) Definitions. For purposes of this Section 6.16, the terms below shall have the following meanings:
- (1) "415 Compensation" shall mean for any Limitation Year (as defined in Section 6.16(h)(6) below), an Employee's wages (recognizing that governmental plans are not subject to Code Section 415(b)(1)(B)), including amounts described in Treasury Regulation Section 1.415(c)-2(b) and excluding amounts described in Treasury Regulation Section 1.415(c)-2(c). 415 Compensation means the amount as defined above but inclusive of any amounts excluded from taxable income under Code Sections 125, 402(e)(3), 402(h)(1)(B or)Code Section 132(f)(4). Effective for Limitation Years beginning on and after January 1, 2008, compensation paid after severance from employment as described in Treasury Regulation Section 1.415(c)-2(e)(3)(ii) and (iii) is included in 415 Compensation, and post-severance payments as described in Treasury Regulation Section 1.415(c)-2(e)(3)(iv) are excluded. Effective for Limitation Years beginning on and after January 1, 2008, back pay, as that term is defined in Treasury Regulation Section 1.415(c)-2(g)(8) is included. To the extent provided under Code Section 414(u), 415 Compensation shall also include amounts received by or treated as received by Employees performing qualified military service (as that term is defined in Code Section 414(u)).

415 Compensation for any Limitation Year shall not exceed the amount permitted under Code Section 401(a)(17), as adjusted for cost of living in accordance with Code Section 401(a)(17) and as further adjusted, as applicable, for governmental plans.
 - (2) "Annuity Starting Date" means the first day of the period for which an amount is paid as an annuity (whether by reason of Retirement, Total and Permanent Disability or otherwise) under the terms of the Plan or, if applicable, the date of distribution of a lump sum amount.
 - (3) "Applicable Mortality Table" has the meaning set forth in Section 1.3.
 - (4) "Applicable Interest Rate" has the meaning set forth in Section 1.3.
 - (5) "Employer" includes all employers required to be treated as one employer under Code Sections 414(b) and (c) (as modified by Code Section 415(h)) and Code Sections 414(m) and (o).
 - (6) "Limitation Year" shall mean, for the purposes of Code Section 415, the Plan Year.

- (i) Incorporation by Reference. Notwithstanding any other provision of this Plan, this Section 6.16 shall be construed in a manner which is consistent with Code Section 415 (which is hereby incorporated herein) and the rulings and Treasury Regulations issued thereunder, as applicable to governmental plans. For purposes of this Section 6.16, all defined benefit plans of the Employer (whether or not terminated) are treated as one defined benefit plan.

6.17 Minimum Required Distributions. The rules applicable to minimum required distributions made in accordance with Code Section 401(a)(9) and the guidance issued thereunder shall be as follows:

- (a) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section 6.17 other than the requirement that all distributions made under this Section 6.17 be determined and made in accordance with the Final Regulations, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (“TEFRA”) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.
- (b) Time and Manner of Distribution.
 - (i) Required Beginning Date. The Participant’s entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant’s Required Beginning Date.
 - (ii) Death of Participant Before Distributions Begin. If the 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, 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 70½, if later.
 - (B) If the Participant’s surviving Spouse is not the Participant’s sole Designated Beneficiary, 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 subsection 6.17(b)(2), other than subsection 6.17(b)(2)(i), will apply as if the surviving Spouse were the Participant.

For purposes of this subsection 6.17(b)(2) and subsection 6.17(e), distributions are considered to begin on the Participant's Required Beginning Date (or, if subsection 6.17(b)(2)(iv) applies, the date distributions are required to begin to the surviving Spouse under subsection 6.17(b)(2)(i)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under subsection 6.17(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (2) Form of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with subsections 6.17(c), (d), and (e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Final Regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year.

- (1) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
 - (ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsections 6.17(d) or (e);
 - (iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

- (iv) payments will either be non-increasing or increase only as follows:
 - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (B) 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 subsection 6.17(d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;
 - (C) to provide cash refunds of employee contributions upon the Participant's death; or
 - (D) to pay increased benefits that result from a Plan amendment.
- (2) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under subsections 6.17(b)(2)(i) or (ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received (e.g., bi-monthly, monthly, semi-annually, or annually). All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (3) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.
 - (1) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse beneficiary, annuity payments to be made on or after the

Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6T of the Final Regulations. 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.

- (2) 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 section 1.401(a)(9)-9 of the Final Regulations 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 of the Final 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 subsection 6.17(d)(2), 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 section 1.401(a)(9)-9 of the Final Regulations, 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.

(e) Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

- (1) Participant Survived by Designated Beneficiary. If the 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 subsections 6.17(b)(2)(i) or (ii), over the life of the Designated Beneficiary or over a period certain not exceeding:
- (i) unless the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's

birthday in the calendar year immediately following the calendar year of the Participant's death; or

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

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

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the 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 subsection 6.17(e) 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 subsection 6.17(b)(2)(i).

(f) Definitions.

(1) Designated Beneficiary. The term "Designated Beneficiary" means the individual who is designated as the beneficiary under Section 6.13 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and section 1.401(a)(9)-4, Q&A-1, of the Final Regulations.

(2) Distribution Calendar Year. The term "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to subsection 6.17(b)(2).

(3) Life Expectancy. The term "Life Expectancy" means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Final Regulations.

(4) Required Beginning Date. The term "Required Beginning Date" means:

- (i) Except as provided in subsection 6.17(f)(4)(ii), the April 1 following the calendar year in which the Participant attains age seventy and one-half ($70\frac{1}{2}$); and

- (ii) With respect to a Participant other than a five percent (5%) owner, the April 1 of the calendar year following the later of: (i) the calendar year in which the Participant attains age seventy and one-half (70½); or (ii) the calendar year in which the Participant retires.

ARTICLE VI-A.

Civil Partner Benefit Provisions

The purpose of this Article VI-A is to set forth the provisions of the Plan required to ensure that Civil Partners (as defined in this Article VI-A) of Participants under the Plan are accorded status similar to the status of Spouses under Article VI of the Plan. Unless a term is assigned a specific meaning in this Article VI-A, the terms used herein will have the meaning as defined in the Plan. All other provisions of the Plan not specifically addressed in Article VI-A and not contrary to the intent of this Article shall also apply to those Participants, Civil Partners and Beneficiaries covered hereunder. The provisions of Article VI not duplicated in this Article VI-A will apply to the Participant and a Participant's Civil Partner to the extent such provisions are not addressed in this Article VI-A.

The term "Civil Partner" means an individual who has entered into a civil union with a Plan Participant pursuant to Illinois state law, or a Participant who has entered into a civil union with another individual in accordance with the applicable law of another jurisdiction.

The term "Civil Union" means a legal relationship between two persons, either of the same or opposite sex, established pursuant to Illinois law, or a civil union recognized in accordance with the applicable law of another jurisdiction.

6A1. Normal Retirement. Refer to Section 6.1.

6A2. Early Retirement. Refer to Section 6.2.

6A3. Disability Retirement. Refer to Section 6.3.

6A4. Deferred Vested Benefit. Refer to Section 6.4.

6A5. Time of Payment. Refer to Section 6.5.

6A6. Normal Method of Payment. Unless he elects otherwise in accordance with Section 6A.7 (with the consent of his Civil Partner), the pension benefit of a Participant who has entered into a Civil Union prior to his Annuity Starting Date shall be paid in the form of a joint and survivor annuity under which a reduced monthly pension amount shall be payable to the Participant during his lifetime and then after his death, 50 percent of such reduced monthly pension amount shall be payable to the Civil Partner of such Participant on his Annuity Starting Date, if such Civil Partner survives the Participant, for the lifetime of such Civil Partner (the "Civil Partner Joint and Survivor Annuity"). The reduced amount payable to the Participant and such Civil Partner shall be determined so that the aggregate pension payments expected to be made to the Participant and such Civil Partner under the Civil Partner Joint and Survivor Annuity

shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI-A. The last payment of the Civil Partner Joint and Survivor Annuity shall be made as of the first day of the month in which occurs the death of the survivor of the Participant and such Civil Partner. Unless he elects otherwise in accordance with Section 6A.7, if a Participant does not have a Civil Partner on his Annuity Starting Date, his pension benefit shall be paid in the form of a Single Life Annuity.

6A7. Other Payment Options. In lieu of the method of payment described under Section 6A.6, a Participant, by written election delivered to the Committee in a form acceptable to the Committee within the 180-day period which ends on his Annuity Starting Date, and subject to the Civil Partner consent provisions described in this Section 6A.7, may elect to take his pension in the one of the optional forms described below:

(a) **Joint and Survivor Annuity:** For purposes of this Section 6A.7, a joint and survivor annuity is a pension under which a reduced monthly pension amount is payable to the Participant during his lifetime and then after his death 100%, 75% or 50% of such reduced monthly pension amount is payable to the Beneficiary designated by such Participant pursuant to Section 6A.13 (if then living) for the lifetime of such surviving designated Beneficiary. The reduced amount payable to the Participant and his designated Beneficiary shall be determined so that the aggregate pension payments expected to be made to the Participant and such designated Beneficiary under the joint and survivor annuity option shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI-A based on actuarial assumptions as described in Exhibit A of the Plan.

(b) **Joint and Survivor Annuity with “Pop-Up”:** A Participant may elect a joint and survivor annuity as described in subsection (a) above with his Civil Partner as the designated Beneficiary, under which the Participant receives a reduced monthly pension amount payable to the Participant while both the Participant and his Civil Partner are living, but with the following additional features:

(1) If the retired Participant shall predecease the Civil Partner, the Civil Partner shall receive the portion of the monthly benefit (100%, 75% or 50%) of the joint and survivor annuity as designated in the election form for the remainder of the surviving Civil Partner’s lifetime; or

(2) If the Civil Partner predeceases the retired Participant, the monthly amount payable to such retired Participant shall be adjusted to the amount of the Single Life Annuity before adjustment for election of the Joint and Survivor Annuity with the “Pop-Up”.

(c) **Ten-year Term Certain and Life Annuity:** A ten-year term certain and life annuity is a pension under which a reduced monthly pension amount is payable to the Participant during his lifetime and, in the event of his death before the end of the ten-year period commencing on his Annuity Starting Date, the same monthly pension amount shall be payable for the remainder of such ten-year period to his Beneficiary, as designated in accordance with Section 6A.13. The amount payable to the Participant and

his Beneficiary shall be determined so that the aggregate pension payments expected to be made to the Participant and such Beneficiary under the ten-year term certain and life annuity shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI-A based on actuarial assumptions as described in Exhibit A of the Plan.

(d) **Single Life Annuity:** A single life annuity is a monthly pension benefit payable to the Participant during his lifetime, adjusted, if required, by the terms of the Plan for an Annuity Starting Date that occurs prior to the Participant's Normal Retirement Date.

(e) **Single Lump Sum:** In the event the Participant terminates Employment on or after his Normal Retirement Date, the Participant may elect a single, lump sum distribution; provided, however, that this lump sum distribution option shall not be available to any Participant who has no Continuous Service for any time period prior to January 1, 2011. The single lump sum payment shall be the Actuarial Equivalent of the Single Life Annuity to which the Participant would otherwise be entitled under this Article VI-A based on actuarial assumptions as described in Exhibit A of the Plan.

Notwithstanding any provisions of the Plan to the contrary, all forms of payment under the Plan shall conform to the applicable requirements of Section 401(a)(9) of the Code, including the incidental death benefit requirement of Section 401(a)(9)(G), and the Treasury regulations thereunder.

All elections made pursuant to this Section 6A.7 shall be revocable by a Participant within the 180-day period ending on his Annuity Starting Date and shall become inoperative and of no effect (except as otherwise provided in subsection (b) of this Section 6A.7 or Section 6A.10) if either the Participant dies prior to his Annuity Starting Date or he elects the joint and survivor annuity option and his designated Beneficiary dies prior to such Participant's Annuity Starting Date. An election of method of distribution under this Section 6A.7 by a Participant who has a Civil Partner shall not be effective unless:

- the Civil Partner, if any, of the Participant who would otherwise become a Beneficiary under Section 6A.6 if such Civil Partner survives the Participant consents to such election and such consent acknowledges the effect of the election and is notarized;
- the Participant establishes to the satisfaction of the Committee that such consent cannot be obtained because such Civil Partner cannot be located or because of such other acceptable circumstances as the Secretary of the Treasury may by regulations prescribe; or
- the method of distribution elected is the joint and survivor annuity form with such Civil Partner named as designated Beneficiary and entitled to at least a 50 percent survivor benefit.

The Committee shall furnish to each Participant written notification of the availability of the method of payment options no more than 180 days and no earlier than 30 days prior to his Annuity Starting Date. Such notification shall include an explanation of the Qualified Joint and

Survivor Annuity, the Participant's right to elect to waive the Qualified Joint and Survivor Annuity, the effect of such an election, the right of the Participant's Civil Partner with respect to such an election and the Participant's right to revoke such an election, and shall also contain a general description of the eligibility conditions and other material features of the optional forms of benefit payable under the Plan and sufficient additional information to describe the relative values of such optional forms of benefit. Such notification shall also inform the Participant that, upon his request to the Committee during the period in which such election is available, the Committee will furnish to such Participant a written explanation of the financial effect upon the Participant's annuity (in terms of dollars per annuity payment) of making an election to take any available option.

Notwithstanding the foregoing, the Plan may provide the written explanation of the Qualified Joint and Survivor Annuity after the Participant's Annuity Starting Date if the Participant affirmatively elects an Annuity Starting Date that occurs on or before the date the written explanation of the Qualified Joint and Survivor Annuity is provided (a "Retroactive Annuity Starting Date") and the requirements of applicable Treasury regulations issued under Code Section 417(a)(7)(A) are satisfied; provided that a Participant may not elect a Retroactive Annuity Starting Date if the Participant is eligible for and elects a lump sum distribution. Where a Participant elects a Retroactive Annuity Starting Date, the date of the Participant's actual first payment shall be substituted for the Annuity Starting Date for purposes of satisfying the 180-day notice and consent requirements specified in Section 6A.5 and this Section 6A.7. Regardless of whether a Participant elects a Retroactive Annuity Starting Date, and notwithstanding any other provision of this Section 6A.7, the Participant (and Civil Partner, if required) may elect an Annuity Starting Date that is within less than 30 days from the receipt of the written explanation so long as (1) the Participant is clearly informed that he has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity or Single Life Annuity and consent to another form of distribution; and (2) the Participant is permitted to revoke an affirmative distribution election until the later of the Annuity Starting Date or the expiration of a seven-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant.

6A8. Set-off for Retirement Benefits Payable Under Prior Plans. Refer to Section 6.8.

6A9. Re-employment. Refer to Section 6.9.

6A10. Death Benefits. If a Participant dies on or after his Annuity Starting Date, death benefits, if any, shall be paid to such Beneficiary and in such manner as is provided under Section 6A.6 or 6A.7 for the method of payment pursuant to which benefits were paid to the Participant prior to his death.

If a Participant dies before his Annuity Starting Date, no benefits shall be payable under the Plan except as provided below:

- (a) If a Participant Retires and dies before his Annuity Starting Date, then his surviving Civil Partner, if any, shall receive a benefit equal to the benefit such Civil Partner would have received if the Participant had commenced receiving a Civil Partner Joint and Survivor Annuity pursuant to Section 6A.6 on the day before he died.

(b) If a Participant dies while an employee of an Employer after having attained his Normal Retirement Date or Early Retirement Date, in either case before his Annuity Starting Date, then his surviving Civil Partner, if any, shall receive a benefit equal to the benefit such Civil Partner would have received if the Participant had commenced receiving a Civil Partner Joint and Survivor Annuity pursuant to Section 6A.6 on the day before he died.

(c) If a Participant entitled to a deferred vested benefit pursuant to Section 6.4 dies either while an employee of an Employer or after termination of Employment, in either case before his Annuity Starting Date, then his surviving Civil Partner, if any, shall receive a benefit equal to the benefit such Civil Partner would have received if the Participant (i) had terminated Employment on the earlier of the date of his death or the date of his actual termination of Employment, (ii) survived to the age at which he would first have been entitled to commence receiving benefits under the Plan, (iii) commenced receiving his pension as a Civil Partner Joint and Survivor Annuity under Section 6A.6 on that date and (iv) died the following day.

(d) If a Participant with a vested benefit dies while an employee of an Employer or after termination of Employment, but before his annuity starting date, and such Participant does not have a surviving Civil Partner at the time of his death, then a benefit shall be payable to one or more Dependents of the Participant surviving at the Participant's death. For purposes of this Section 6A.10(d), the term "Dependent" shall have the meaning set forth in Code Section 152(f)(1); provided however, that benefits shall not be paid to any Dependent after the month in which the Dependent reaches age twenty-six (26). The benefit for the surviving Dependent (or Dependents) will be a monthly amount equal to 50% of the Participant's accrued benefit as of his date of death.

(e) If a Participant dies while an Employee of an Employer but prior to his annuity starting date, and at the date of his death, the Participant was eligible for a "Rule of 85" retirement benefit in accordance with Section 6A.2 of the Plan, then the Participant's surviving Spouse, if any, shall be entitled to receive a 100% joint and survivor benefit, calculated in accordance with Section 6A.1, payable commencing on the first day of the month coincident with or next following the date of the Participant's death.

(f) A surviving Civil Partner's monthly pension payable under this Section 6A.10 shall be payable to the Civil Partner each month commencing with the first day of the month following the later of the month in which the Participant dies or the month in which the Participant would have first been entitled to receive benefits if he had survived, as described above, and ending with the month in which such surviving Civil Partner's death occurs.

In the event a Participant properly elected pursuant to Section 6A.7 within the 180-day period prescribed therein to receive a joint and 75% survivor annuity with his Civil Partner designated as his Beneficiary or a joint and 100% survivor annuity with his Civil Partner designated as his Beneficiary and such Participant dies before his Annuity Starting Date, then the term "Civil Partner Joint and Survivor Annuity" for purposes of applying this Section 6A.10 shall mean the actual form of joint and survivor annuity elected by the Participant instead of the

joint and 50% survivor annuity described in Section 6A.6. In addition, notwithstanding any other provision of the Plan to the contrary, in the event a Participant terminates employment by reason of death or otherwise on or after his Normal Retirement Date, but dies before his Annuity Starting Date, then the term “Civil Partner Joint and Survivor Annuity” for purposes of applying this Section 6A.10 shall mean the joint and 100% survivor annuity, instead of the joint and 50% survivor annuity described in Section 6A.6. In lieu of receiving said 100% survivor annuity pursuant to the immediately preceding sentence, the surviving Civil Partner of such a Participant may elect, in such manner as the Committee may prescribe, to receive a single, lump sum distribution equal to the lump sum amount such Participant would have been entitled to receive pursuant to Section 6A.7 as of the date of such Participant’s death; provided, however, that the lump sum option described in this sentence will not be available if the Participant had no Continuous Service for any time period prior to January 1, 2011.

6A11. Effect of Amendments to Plan Changing Benefits. Refer to Section 6.1 1.

6A12. Small Payment Option. In the event that the present value (calculated in the manner specified in the schedule of actuarial assumptions set forth in Exhibit A) of the vested accrued benefit payable hereunder to any Participant and Beneficiary does not exceed \$1,000, such present value shall be paid to such Participant or Beneficiary in a single lump sum and such payment shall be a complete discharge of any obligations to the Participant or Beneficiary hereunder. No distribution shall be made under this Section 6A.12 after the Participant’s Annuity Starting Date or after the date on which the payment of benefits commences pursuant to Section 6A.10 without the written consent of the Participant and his Civil Partner, if any, or, if the Participant has died, of his surviving Civil Partner. For this purpose, consent shall be given in the manner described in Section 6A.7. If a Participant terminates employment prior to becoming vested in any portion of his benefit under the Plan, such Participant (or his Beneficiary) shall be deemed to have received payment of the entire amount to which he is entitled under the Plan at the time of such termination, and such deemed payment shall be a complete discharge of the Plan’s obligation to the Participant (or Beneficiary).

6A13. Designation of Beneficiary. In the event a Participant dies after his Annuity Starting Date and survivor benefits are payable under Section 6A.7, such benefits shall be paid in the manner described in Section 6A.7 to such person or persons and in such proportions as may be designated by the Participant in writing, in a form acceptable to the Committee, executed by such Participant and filed with the Committee within the 180-day period ending on his Annuity Starting Date. However, a designation of a Beneficiary by a Participant with a Civil Partner shall not be effective unless consented to by the Civil Partner based on the Participant’s Civil Partner’s status on the Participant’s Annuity Starting Date in the manner set forth in Section 6A.7. If a Participant has commenced receiving his benefits under a joint and survivor annuity and his designated Beneficiary does not survive him, no benefits shall be payable hereunder after such Participant’s death. If death benefits are payable under the ten-year term certain and life annuity pursuant to Section 6A.7 and no designated Beneficiary is then living, benefits becoming payable under such ten-year term certain and life annuity shall be paid:

- (a) to the surviving Civil Partner of the Participant, if any;

(b) if there is no surviving Civil Partner, then to the Participant's descendants, per stirpes, if any; or

(c) if there is neither a surviving Civil Partner nor any surviving descendant, then to the estate of the Participant.

6A14. Employment After Normal Retirement Date. Refer to Section 6.14.

6A15. Eligible Rollover Distributions. For purpose of the eligible rollover distribution options described in Section 6.15 of this Plan, a Civil Partner shall have the same rights available to a Spouse, former Spouse or surviving Spouse as set forth in Section 6.15; provided, however, that a surviving Civil Partner who is eligible for benefits pursuant to the provisions of this Article VI-A will not be eligible to establish a spousal IRA under Code Section 402(c)(9), but will instead be eligible to establish an inherited IRA under Code Section 402(c)(11).

6A16. Maximum Annual Benefits. Refer to Section 6.16.

6A17. Minimum Required Distributions. The rules applicable to minimum required distributions made in accordance with Code Section 401(0)(9) and the guidance issued thereunder shall be as follows:

(a) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section 6A.17 other than the requirement that all distributions made under this Section 6A.17 be determined and made in accordance with the Final Regulations, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("TEFRA") and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) Time and Manner of Distribution.

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

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving Civil Partner is the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(ii) 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.

For purposes of this subsection 6A.17(b)(2) and subsection 6A.17(e), distributions are considered to begin on the Participant's Required Beginning Date. If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Civil Partner before the date distributions are required to begin to the surviving Civil Partner under subsection 6A.17(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Form of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with subsections 6A.17(c), (d) and (e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Final Regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year.

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

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

(ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsections 6A.17(d) or (e);

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

(iv) payments will either be non-increasing or increase only as follows:

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

(B) 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 subsection 6A.17(d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or similar state law;

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

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

(2) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under subsections 6A.17(b)(2)(i)) 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.

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

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(1) Joint Life Annuities Where the Beneficiary Is the Participant's Civil Partner. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and his Civil Partner, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6T of the Final Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a Civil Partner 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.

(2) Period Certain Annuities. Unless the Participant's Civil Partner 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 section 1.401(a)(9)-9 of the Final Regulations 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 of the Final 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 Civil Partner 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 subsection 6A.17(d)(2), or the joint life and last survivor expectancy of the Participant and the Participant's Civil Partner as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Final Regulations, using the Participant's and Civil Partner's attained ages as of the Participant's and Civil Partner's birthdays in the calendar year that contains the annuity starting date.

(e) Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

(1) Participant Survived by Designated Beneficiary. If the 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 subsections 6A.17(b)(2)(i), over the life of the Designated Beneficiary or over a period certain not exceeding:

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

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

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

(3) Death of Surviving Civil Partner Before Distributions to Surviving Civil Partner Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Civil Partner is the Participant's sole Designated Beneficiary, and the surviving Civil Partner dies before distributions to the surviving Civil Partner begin, this subsection 6A.17(e) will apply as if the surviving Civil Partner were the Participant, except that the time by which distributions must begin will be determined without regard to subsection 6A.17(b)(2)(i).

(f) Definitions.

(1) Designated Beneficiary. The term “Designated Beneficiary” means the individual who is designated as the beneficiary under Section 6A.13 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and section 1.401(a)(9)-4, Q&A-1, of the Final Regulations.

(2) Distribution Calendar Year. The term “Distribution Calendar Year” means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant’s death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant’s Required Beginning Date. For distributions beginning after the Participant’s death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to subsection 6A.17(b)(2).

(3) Life Expectancy. The term “Life Expectancy” means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Final Regulations.

(4) Required Beginning Date. The term “Required Beginning Date” means:

(i) Except as provided in subsection 6A.17(f)(4)(ii), the April 1 following the calendar year in which the Participant attains age seventy and one-half ($70\frac{1}{2}$); and

(ii) With respect to a Participant other than a five percent (5%) owner, the April 1 of the calendar year following the later of: (i) the calendar year in which the Participant attains age seventy and one-half ($70\frac{1}{2}$); or (ii) the calendar year in which the Participant retires.

ARTICLE VII

Miscellaneous Provisions Respecting Participants

7.1 Information on Employees. Participants shall furnish promptly to the Committee such information as the Committee reasonably considers necessary or desirable for the purpose of administering the Plan.

7.2 Spendthrift Clause.

(a) Amounts payable under the Plan to a Participant or to a Beneficiary shall be paid only to him and upon his personal receipt (except in the case of a minor or person under legal disability as provided in Section 7.7) unless such amounts are payable to an alternate payee pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. No benefit payable under the provisions hereof shall otherwise be assigned or alienated, or be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, except in accordance with 7.2(b) below. Any attempt to so anticipate, alienate, sell, transfer,

assign, pledge, encumber or charge shall be void, and the Fund or any fiduciary to the Plan shall not be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant or Beneficiary entitled to any benefit payment. Nothing in this Section 7.2 shall preclude an offset of a Participant's benefit under the Plan against an amount such Participant is ordered or required to pay pursuant to a judgment, order, decree or settlement agreement issued or entered into after August 4, 1997 in accordance with Code Section 401(a)(13)(C).

- (b) Effective January 1, 2011 for all benefits accrued on or after such date and, notwithstanding the above subsection (a), none of the benefits provided under the terms of this Plan shall be paid to any Participant who is convicted of a felony relating to or arising out of or in connection with his service as an employee of the Authority or an Affiliate Employer where the events giving rise to such felony conviction occurred on or after January 1, 2011. Once the Committee becomes aware of a felony conviction, the Committee shall commence an investigation to determine if the benefits shall be forfeited. If a Participant has already commenced benefits from this Plan, such benefits shall be suspended upon the date of conviction. All benefit payments shall terminate upon the exhaustion of all appeals therefrom, or in the absence of an appeal, the exhaustion of any appeal period from such action. If an appeal of such conviction is made and the decision is reversed, the Participant shall receive retroactive payment (including interest) of the amount he would have received but for the felony conviction.
- (c) Upon the conclusion of the Committee's investigation and the rendering of its decision, as described above in subsection (b), the Committee shall refer the matter to the Board for review. The Board shall have complete discretion in determining whether a Participant's benefit shall be forfeited under the terms of this Section 7.2.

7.3 Not A Contract of Employment. Nothing contained herein shall be construed as a contract of Employment between an Employer and any Employee, or as giving a right to any Employee to be continued in the Employment of an Employer or as a limitation of the right of the Employer to discharge any Employee.

7.4 Addresses. Each person entitled to benefits hereunder shall file with the Committee from time to time in writing his complete mailing address and each change of mailing address.

7.5 Claims. No formal request for benefits that are due hereunder to commence shall be required of a Participant or Beneficiary. Any claim for benefits which are not received shall be made in writing to the Committee. The Committee shall consider such claim and shall within 90 days approve it, deny it or request in writing additional information to support such claim stating the reasons such information is necessary and the procedures for further review of such claim. Each denial shall be in writing, setting forth the specific reasons for such denial and specific references to the Plan document which support such reasons and written in a manner calculated to be understood by the Participant or Beneficiary making such claim and the

Committee shall afford a reasonable opportunity to any Participant or Beneficiary whose claim is denied for a full and fair review of the decision denying the claim.

Notwithstanding the foregoing, for all claims filed on or after January 1, 2002, the following rules shall apply:

- (a) Filing of Claims. A claim for benefits shall be made by filing a written request with the Plan Administrator on a form provided by the Plan Administrator, which shall be delivered to the Plan Administrator and accompanied by such substantiation of the claim as the Plan Administrator considers necessary and reasonable for the type of claim being filed. If the claims procedure form made available by the Plan Administrator does not contain information on where to file the claim, the claim may be submitted to the Employer's benefits department at the site where the claimant is employed.
- (b) Denial of Claims. If a claim is denied in whole or in part, the claimant shall receive a written or electronic notice explaining the denial of the claim within ninety (90) days after the Plan Administrator's receipt of the claim. If the Plan Administrator determines that for reasons beyond its control, a ninety (90) day extension of time is necessary to process the claim, the claimant shall be notified in writing of the extension and reason for the extension within ninety (90) days after the Plan Administrator's receipt of the claim. The written extension notification shall also indicate the date by which the Plan Administrator expects to render a final decision. A notice of denial of claim shall contain the following:
 - (1) the specific reason or reasons for the denial;
 - (2) reference to the specific Plan provisions on which the denial is based;
 - (3) a description of any additional materials or information necessary for such claimant to perfect the claim and an explanation of why such material or information is necessary; and
 - (4) a description of the Plan's review procedures and the time limits applicable to such procedures.
- (c) Request for Review of Denied Claims. A claimant may file a written request for a review of the denial of a claim within sixty (60) days after receiving written notice of the denial. The claimant may submit written comments, documents, records and other relevant information in support of the claim. A claimant shall be provided, upon request and without charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. A document, record, or other information shall be considered relevant if it:
 - (1) was relied upon in denying the claim;

- (2) was submitted, considered or generated in the course of processing the claim, regardless of whether it was relied upon;
 - (3) demonstrates compliance with the claims procedures process; or
 - (4) constitutes a statement of Plan policy or guidance concerning the denied benefit, regardless of whether it was relied upon.
- (d) Review Procedures. In reviewing a denied claim, the reviewer shall take into consideration all comments, documents, records, and other information submitted by the claimant in support of the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- (e) Decisions on Reviewed Claims. The Plan Administrator will notify the claimant in writing of its decision on the appeal. Such notification will be in writing in a form designed to be understood by the claimant. If the claim is denied in whole or in part on appeal, the notification will also contain:
- (1) the specific reason or reasons for the denial;
 - (2) reference to the specific Plan provisions on which the determination is based; and
 - (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. A document, record, or other information shall be considered relevant if it:
 - (i) was relied upon in denying the claim;
 - (ii) submitted, considered or generated in the course of processing the claim, regardless of whether it was relied upon;
 - (iii) demonstrates compliance with the claims procedures process; or
 - (iv) constitutes a statement of Plan policy or guidance concerning the denied benefit, regardless of whether it was relied upon.

Such notification will be given by the Plan Administrator within sixty (60) days after the complete appeal is received by the Plan Administrator (or within one hundred twenty (120) days if the Plan Administrator determines special circumstances require an extension of time for considering the appeal, and if written notice of such extension and circumstances is given to the claimant within the initial sixty (60) day period). Such written extension notice shall also indicate the date by which the Plan Administrator expects to render a decision.

7.6 Review of Claims. Within 60 days after the receipt of any written denial of a claim from the Committee, a Participant or Beneficiary whose claim is denied may request, by

written application to the Committee, a review by the Committee of the decision denying the payment of benefits. In connection with such review, such Participant or Beneficiary shall be entitled to review any and all documents pertinent to the claim or its denial and shall also be entitled to submit issues and comments in writing. The decision of the Committee upon such review shall be made promptly and not later than 60 days after the receipt of such request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but no later than 120 days after the Committee's receipt of a request for review. The decision on review shall be written in a manner calculated to be understood by the Participant or Beneficiary, shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based, and shall be final.

7.7 Payments to Minors, Etc. In the event any portion of the Fund becomes distributable under the terms hereof to a minor or other person under legal disability, the Committee shall direct that such distribution be made in whichever one or more of the following methods is practicable, with preference given in the order stated:

- (a) to the legal guardian or conservator of said minor or other person;
- (b) to the spouse, parent, brother, sister, child or other relative of said minor or other person for the use of said minor or other person; or
- (c) directly to said minor or other person.

The Committee shall not be required to see to the application of any distributions so made to any of said persons, but his or their receipts therefor shall be a full discharge of the liability of the Trustee and the Fund to such minor or other person therefor.

7.8 Benefits During Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified Military Service will be provided as required by Code Section 414(u) and the Heroes Earnings Assistance and Relief Tax Act of 2008.

Effective January 1, 2007, for a Participant who dies while performing qualified military service (as that term is defined under Section 414(u) of the Code), the Beneficiaries of the Participant are entitled to any additional benefits provided under the Plan (including service credit for vesting purposes, but excluding benefit accruals relating to the period of qualified military service), as if the Participant had resumed employment and subsequently terminated service on account of death as provided under Section 401(a)(37).

Notwithstanding the above paragraph, effective January 1, 2011, for a Participant who dies while performing qualified military service (as that term is defined under Section 414(u) of the Code), the Participant's Accrued Benefit shall be calculated by treating the Participant as if he had resumed employment and subsequently terminated service on account of death.

Effective January 1, 2011, for a Participant who becomes disabled while performing qualified military service (as that term is defined under Section 414(u) of the Code), the Participant's Accrued Benefit and service credit for vesting purposes shall be calculated given by

treating the Participant as if he had resumed employment and subsequently terminated service on account of disability.

ARTICLE VIII

Plan Administration

8.1 The Committee. Except to the extent it delegates its power and duties to the Plan Administrator, as provided in Section 8.2, this Plan will be administered by a Committee consisting of (6) members. The Authority, the Commuter Rail Division of the Authority, and the Suburban Bus Division of the Authority (collectively, the “Transit Agencies,” separately, each a “Transit Agency”) shall each appoint two (2) members to the Committee. Such appointment shall be made by the Chairman or the Executive Director of the respective Transit Agency.

8.2 Plan Administrator. The Committee may, by written agreement, hire a Plan Administrator to assume stated responsibilities in the administration of the Plan for such reasonable compensation and for such term as may be agreed upon between the Plan Administrator and the Committee. In the event the Plan Administrator shall be removed or otherwise cease to act, the Committee may appoint a successor Plan Administrator and give written notice thereof to the Trustee. The Committee may delegate such of its powers and duties hereunder to the Plan Administrator as it deems appropriate and shall have no liability hereunder for the Plan Administrator’s exercise of powers and duties so delegated.

8.3 Provision of Services by the Authority. The Authority shall provide the Committee with all clerical, bookkeeping and stenographic help and facilities that may be necessary to enable it to perform its functions hereunder.

8.4 Committee’s Powers. The Committee shall have the powers and authorities outlined in the Bylaws of the Committee which are incorporated into the Plan as Exhibit B. These powers shall include, but are not limited to, the following:

- (a) Administration and Maintenance of Plan
 - (i) Function of Committee. The Committee shall have authority to administer and maintain the Plan in accordance with its terms and the trust agreement.
 - (ii) Particular Duties. The Committee has the responsibility to perform specific duties, as enumerated in the Committee’s bylaws.
 - (iii) Delegation of Authority. As described in more detail in (f) below, the Committee may delegate such power and authority as is necessary to carry out the duties of (ii) above.
- (b) Construction
 - (i) Interpretation and Administration of Plan. The Committee, in its ‘sole discretion, has the authority to construe the Plan and

determine all questions of fact and interpretation that may arise under the Plan, including, but not limited to, determinations as to the eligibility to participate and the rights of employees and Participants and their Beneficiaries, and the amount of their respective benefits.

- (ii) Final and Binding. Any constructions, interpretations or findings made by the Committee or rules and regulations which it establishes shall be final and binding on all persons for purposes of the Plan.

(c) Rules and Enforcement

- (i) Rules and Regulations. The Committee shall have the authority to prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits and to adopt such rules and regulations as it may deem reasonably necessary in its sole discretion for the proper and efficient administration of the Plan and consistent with its purposes.
- (ii) Enforcement. The Committee shall have the authority to enforce the Plan, in accordance with its terms, as well as the Committee's own rules and regulations.

(d) Information Management

- (i) Gathering Information. The Committee shall have the authority to receive from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan.
- (ii) Distributing Information. The Committee shall have the authority to prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan.

(e) Records and Reports

- (i) Benefit Distributions. The Committee shall have the authority to direct the Trustee with respect to the maturity of benefits, the maintenance of account records of all Participants and Beneficiaries, the identity of distributees, and all matters involving distributions from the Plan.
- (ii) Plan Reports. The Committee has the responsibility to periodically develop and review reports on the status of the Plan's administration, including reports related to any of its duties as described within this Section 8.4 or the Bylaws of the Committee.

(f) Agents

- (i) Subcommittees. The Committee has the authority to create subcommittees and delegate to such subcommittees certain of its rights, powers, and discretions as it deems desirable.
- (ii) Agents. The Committee has the authority to appoint and hire agents and to delegate such of its rights, powers and discretions to such agents as it deems desirable. This may include the delegation of certain Committee functions to a Plan Administrator, the hiring of attorneys to litigate disputes over benefits under the Plan that cannot be settled, or selecting and removing a Plan Actuary.

(g) Payments from Plan

The Committee shall have the authority to direct the payment of expenses and payment of benefits from the Plan.

(h) Plan Amendment Recommendation

The Committee shall have the authority to recommend to the Authority certain amendments to the Plan as it deems desirable or necessary to retain the tax qualified status of the Plan, to comply with regulatory changes applicable to the Plan or to implement certain Plan design changes. The Authority shall retain final amendment authority.

(i) Additional Powers

The Committee shall have the authority to do all other acts, in its sole judgment necessary or desirable, for the proper and advantageous administration of the Plan.

8.5 Partial Exculpation. The Authority, any Affiliate Employers, their directors, officers, employees and agents (other than the Plan Administrator), the members of the Committee, or any of them, shall not incur any personal liability for the breach of any responsibility, obligation or duty in connection with any act done or omitted to be done in good faith in the management and administration of the Plan and shall be indemnified and held harmless by the Employer from and against any such personal liability including all expenses reasonably incurred in its or their defense in case the Employer fails to provide such defense.

8.6 Records and Reports. The Committee shall have the responsibility to meet any reporting and disclosure requirements with respect to the Plan. The Committee shall exercise such authority as it deems appropriate in order to comply with applicable governmental regulations relating to records of Participants' service.

ARTICLE IX

Amendment, Merger and Termination

9.1 Amendment, Merger and Termination. This Plan may be amended at any time and from time to time by the duly adopted resolution of the Board, but such power of amendment shall under no circumstances include the right in any way or to any extent to revest or otherwise transfer any interest in or to the Fund, or any income therefrom, to any Employer nor shall the power of amendment include the right in any way or to any extent to divest any Participant of any benefit to which he would be entitled if he had resigned as of the date of such amendment. Such power of amendment shall not be exercised in any way which would or could give to any Participant any right or thing of exchangeable value in advance of the receipt of distributions in accordance with the terms provided therefor. In the event of any merger or consolidation of part or all of the Plan with, or the transfer of part or all of its assets or liabilities to, any other plan or trust (herein called the "other plan"), each Participant in the Plan whose interests were so merged, consolidated or transferred into, with, or to the other plan must be entitled to a benefit immediately after the merger, consolidation or transfer (if the other plan then terminated) equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan then terminated). No amendment shall ever operate to enable any part of the corpus or income or other assets of the Fund to be used for or diverted to any purpose other than the exclusive benefit of Participants or their Beneficiaries. Notwithstanding the foregoing provisions of this Section 9.1, however, this Plan and the Trust may be amended in any manner whatsoever, with prospective or retroactive effect, for the purpose of qualifying it under Section 401 of the Code. The Board shall file a certified copy of each such resolution effecting an amendment with the Trustee, Committee and Plan Administrator promptly upon its adoption. Except as otherwise provided in regulations prescribed by the Secretary of the Treasury, prior to the effective date of any amendment that reduces the future rate of benefit accruals under the Plan and that requires notice under Code Section 4980F, the Plan Administrator shall provide such required notice.

9.2 Termination. This Plan may be terminated at any time in whole or in part by a duly adopted resolution of the Board. In the event of termination or partial termination of the Plan, the rights of all Participants affected by such termination and their Beneficiaries shall thereupon become vested to the extent of the assets then remaining in the Trust.

9.3 Illinois Law to Govern. This Plan shall be construed and regulated and its validity and effect and the rights hereunder of all parties interested shall at all times be determined, and this Plan shall be administered in accordance with the laws of the State of Illinois.

9.4 Tax Qualified Plan. It is understood by the parties hereto that the Authority intends this Plan to be qualified under the provisions of Section 401 of the Code, and the Authority shall seek determination letters to that effect.

REGIONAL TRANSPORTATION AUTHORITY

By: _____
Chairman

EXHIBIT A

Actuarial Assumptions as of August 1, 2006

For purposes of converting from one periodic form of payment to another. This interest rate change was directed by Retirement Committee rather than by Plan Amendment.

For purposes of converting from one periodic form of payment to a lump sum form of payment:

Effective August 1, 2006 the interest rate shall be six percent (6%) per annum, compounded annually, and the mortality rate shall be based upon the 1994 Group Annuity Reserving Table prescribed in Rev. Rul. 2001-62, with no set back for Participants and a two-year set back for Beneficiaries.

(i) Prior to January 1, 2000, the interest rate shall be the interest rate used by the Pension Benefit Guaranty Corporation (“PBGC”) for purposes of determining the present value of a lump sum distribution in the event of plan termination in effect on the first day of the Plan Year in which the lump sum distribution is made (or, if using such rate the value of the Participant’s Accrued Benefit exceeds \$25,000, 120% of such PBGC rate) and the mortality rate shall be based upon the UP-1984 Mortality Table with no set back. The lump sum amount shall not, however, be less than that obtained using an interest rate of seven percent (7%) per annum, compounded annually.

(ii) Effective January 1, 2000, the interest rate shall be the “applicable interest rate” under Code Section 417(e)(3)(A)(ii) which is the annual rate of interest on 30-year Treasury securities for the month of November preceding the Plan Year in which the distribution is made, and the mortality table shall be the “applicable mortality table” under Code Section 417(e)(3)(A)(ii). For distributions on or after January 1, 2000, and prior to December 31, 2002, the applicable mortality table is the 1983 GAM mortality table prescribed in Rev. Rul. 95-6. For distributions on or after December 31, 2002, the applicable mortality table is the 1994 Group Annuity Reserving Table prescribed in Rev. Rul. 2001-62.

(iii) Notwithstanding the foregoing, for the period January 1, 2000 through December 31, 2002, the interest rate and mortality rate shall be determined under (i) or (ii) above, based upon whichever set of interest rate and mortality factors produces a greater lump sum value to the Participant. The Actuarial Equivalent for lump sum distributions of that portion of the Accrued Benefit that accrued prior to January 1, 2000 shall not be less than the amount determined using an interest rate of seven percent (7%) and the UP-1984 Mortality Table.

(iv) Notwithstanding any other Plan provisions to the contrary, for purposes of calculating the Actuarial Equivalent lump sum value for distributions with annuity starting dates beginning on or after January 1, 2008, the equivalent value will be equal to the value using the appropriate factors as provided in Code Section 417(e) and related Treasury Regulations and Internal Revenue Service guidance and as described below. The “applicable interest rate” under Code Section 417(e)(3)(C) shall be used with a “lookback month” for the determination of the interest rate of the November prior to the beginning of the Plan Year in which the distribution is made. The “applicable mortality table” under Code Section 417(e)(3)(B) shall be used, and the

“stability period” during which the “applicable interest rate” shall be constant will be the Plan Year beginning after the lookback month.

EXHIBIT B

Bylaws of The Regional Transportation Authority Pension Committee

ARTICLE I. Pension Committee

- A. Purpose:** The Regional Transportation Authority Pension Committee (the “Committee”) will administer and provide oversight on the structure, funding, claims review, investment management, and service provider management of the The Regional Transportation Authority Pension Plan (the “Plan”). These bylaws shall only be amended by the Board. Any capitalized term not defined within these bylaws shall have the definition assigned to it within the Plan document. For purposes of these bylaws, “Affiliate Employers” shall include only the Commuter Rail Division of the Authority and the Suburban Bus Division of the Authority. These bylaws shall be considered a supplement to the Plan and are hereby incorporated therein.
- B. Membership**
- (1) Appointment of Members. The Committee shall consist of six (6) members, each appointed by the Chairman of the Authority or Affiliate Employer by which the member is employed or the Executive Director of the Authority or Affiliate Employer by which the member is employed. The Committee will include two members from each of the Authority and the Affiliate Employers.
 - (2) Classes of Members. The Committee members may be officers or employees of the Authority or any Affiliate Employer participating in the Plan.
 - (3) Termination of Membership. The Committee members may resign at any time. The Chairman and Executive Director of the Authority or the Affiliate Employer which employs the Committee member may remove a Committee member at any time by providing written notice to a member. However, if a Committee member is an officer or employee of the Authority or Affiliate Employer at the time of appointment, the member will be considered to have resigned when the member is no longer an officer or employee of the Authority or an Affiliate Employer participating in the Plan.
 - (4) Committee Chair. The Chairman and Executive Director of the Authority shall also appoint a “Chair” from one of the six (6) members of the Committee who shall be responsible for leading Committee meetings and shall have authority to execute documents on the Committee’s behalf.
 - (5) Membership Terms. Neither the Chair nor any Committee member shall have a term limit on their service on the Committee.
 - (6) Training. Members should comply with the training requirements outlined in the Open Meetings Act.

C. Meetings

- (1) Regular Meetings. The Committee shall meet at least once semiannually and are encouraged to attend the RTA Trustees Meeting at which the Actuarial Report for the Plan is presented. The Committee shall set the dates and times for regular meetings in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures. All references contained in this Exhibit B to the Open Meetings Act shall include all related guidance, including but not limited to Executive Orders, that revise the terms of the Open Meetings Act even if for a limited time.
- (2) Special, Rescheduled, or Reconvened Meetings. Additional meetings may be called by the Chair, as necessary, in accordance with the Open Meetings Act and pursuant to the Authority's applicable policies and procedures.
- (3) Telephonic Meetings. Telephonic meetings shall be permitted to the extent permitted by law. The member must notify the Chair of his or her telephonic participation prior to the meeting unless advance notice is impractical.

D. Manner of Action

- (1) Quorum. A majority of the Committee members shall constitute a quorum for the transaction of business at any meeting of the Committee, provided that if less than a majority of the Committee members are present at said meeting a majority of the Committee members present may adjourn the meeting to another time without further notice.
- (2) Manner of Acting. The act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. Such act shall be executed in writing by the Chair, as the designated signatory of the Committee. In the Chair's absence, the Chair may authorize an alternate Committee member to execute any document on its behalf. The Committee will include two members from each of the Authority and the Affiliate Employers. One of the two members may give the other Committee member employed by the same Affiliate Employer or the Authority the authority to act by proxy on any matter.
- (3) Public Voting. Any Committee vote must be preceded by a public recital of the nature of the matter being considered and any other information that will inform the public of the business being conducted.
- (4) Documentation of Committee Action. The Committee shall prepare and maintain a record of all of its proceedings in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures.

ARTICLE II. Powers and Duties of the Committee

A. Administration and Maintenance of Plan

- (1) Function of Committee. The Committee shall have authority to administer and maintain the Plan in accordance with its terms and the trust agreement.
- (2) Particular Duties. The Committee has the responsibility to perform the functions listed in Articles III, IV, and V below.
- (3) Delegation of Authority. As described in more detail in Section G below, the Committee may delegate such power and authority as is necessary to carry out the duties of (2) above.

B. Construction

- (1) Interpretation and Administration of Plan. The Committee, in its sole discretion, has the authority to construe the Plan and determine all questions of fact and interpretation that may arise under the Plan, including, but not limited to, determinations as to the eligibility to participate and the rights of employees and Participants and their Beneficiaries, and the amount of their respective benefits.
- (2) Final and Binding. Any constructions, interpretations or findings made by the Committee or rules and regulations which it establishes shall be final and binding on all persons for purposes of the Plan.

C. Rules and Enforcement

- (1) Rules and Regulations. The Committee shall have the authority to prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits and to adopt such rules and regulations as it may deem reasonably necessary in its sole discretion for the proper and efficient administration of the Plan and consistent with its purposes.
- (2) Enforcement. The Committee shall have the authority to enforce the Plan, in accordance with its terms, as well as the Committee's own rules and regulations.

D. Information Management

- (1) Gathering Information. The Committee shall have the authority to receive from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan
- (2) Distributing Information. The Committee shall have the authority to prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan.

E. Records and Reports

- (1) Benefit Distributions. The Committee shall have the authority to direct the Trustee with respect to the maturity of benefits, the maintenance of account

records of all Participants and Beneficiaries, the identity of distributees, and all matters involving distributions from the Plan.

- (2) Plan Reports. The Committee has the responsibility to periodically develop and review reports on the status of the Plan's administration, including reports related to any of its duties as described within these bylaws.

F. Agents

- (1) Subcommittees. The Committee has the authority to create subcommittees and delegate to such subcommittees certain of its rights, powers, and discretions as it deems desirable.
- (2) Agents. The Committee has the authority to appoint and hire agents and to delegate such of its rights, powers and discretions to such agents as it deems desirable. This may include the delegation of certain Committee functions to a Plan Administrator, the hiring of attorneys to litigate disputes over benefits under the Plan which cannot be settled, or selecting and removing a Plan Actuary.

G. Payments from Plan

- (1) The Committee shall have the authority to direct the payment of expenses and payment of benefits from Plan assets.

H. Plan Amendment Recommendations

- (1) The Committee shall have the authority to recommend to the Authority certain amendments to the Plan as it deems desirable or necessary to retain the tax qualified status of the Plan, to comply with regulatory changes applicable to the Plan or to implement certain Plan design changes. The Authority shall retain final amendment authority.

I. Additional Powers

- (1) The Committee shall have the authority to do all other acts, in its sole judgment necessary or desirable, for the proper and advantageous administration of the Plan.

ARTICLE III. Administrative Function

- A. The Administrative Function:** The Committee will be responsible for the administration of the Plan. The Committee may contract with service providers to perform Plan administration functions, including the assignment of fiduciary duties relating to Plan administration.

B. Administrative Duties and Responsibilities of the Committee:

- (1) Responsible for employing agents, attorneys, accountants, actuaries or other persons and allocating or delegating to them such powers, rights and duties necessary or advisable to properly carry out the administration of the Plan.
- (2) Responsible for reporting and disclosure obligations.
- (3) Responsible for Non-Discrimination Testing, as applicable.
- (4) Responsible for submitting IRS Determination Letters (Form 5300).
 - (a) Notice to Interested Parties; and
 - (b) Filing with the IRS.
- (5) Responsible for QDRO Processing.
 - (a) Develop Procedures for handling domestic relations orders;
 - (b) Use Model QDROs;
 - (c) Process Draft Domestic Relations Orders; and
 - (d) Follow terms of QDROs.
- (6) Responsible for Processing Distributions from Plan.
 - (a) Involuntary Cashouts;
 - (b) Notice of Distribution Options;
 - (c) Distribution Election Form; and
 - (d) Special Tax Notice.
- (7) Responsible for developing procedures to calculate service for participation, vesting, employer contributions, and benefit accrual under the Plan.
- (8) Responsible for interpreting the provisions of the Plan and making and publishing such rules for regulation of the Plan.
- (9) Responsible for determining, subject to the terms of the Plan, the time and manner in which all authorized elections shall be made or revoked.
- (10) Responsible for ensuring that all fiduciaries are bonded as required by any federal or state law.

ARTICLE IV. Claims Review Function

- A. The Claims Review Function:** The Committee will be responsible for developing and implementing procedures for processing benefit claims, including appeals of claims decisions, under the Plan.
- B. Claims Review Duties and Responsibilities of the Committee**
- (1) Responsible for determining all questions arising under the Plan and construing the terms of the Plan.
 - (2) Responsible for determining the rights of employees, Participants and any other persons under the terms of the Plan, including eligibility for, and the amount of, their benefits.
 - (3) Responsible for resolving any ambiguities, inconsistencies or omissions under the Plan, and construing disputed, doubtful or uncertain terms under the Plan.
 - (4) Responsible for establishing claims procedures under the Plan and communicating those procedures to Participants, including:
 - (a) Develop uniform system for handling claims under the Plan.
 - (b) Provide timely Notice to Claimant after receipt of claim.
 - (c) Develop procedures for handling appeals from denial of claims.
 - (d) Develop procedures for transmitting appeals to an independent fiduciary for further review.

ARTICLE V. Service Provider Function

- A. The Service Provider Function:** The Committee will be responsible for selection, appointment, supervision, and replacement of the Plan service providers.
- B. Service Provider Duties and Responsibilities of the Committee**
- (1) Develop procedures for selecting third-party administrators and other service providers for the Plan.
 - (2) Power to appoint one or more service providers, who shall have the authority to administer the Plan in accordance with service provider agreements.
 - (3) Authority to enter into service provider agreements with service providers.
 - (4) Periodically review the performance of service providers.
 - (5) Power to remove or change one or more service providers.

- (6) Report to the Authority on changes in service providers and the reasons for the changes.

Exhibit C

**BY-LAWS AND RULES OF THE BOARD OF TRUSTEES OF THE
REGIONAL TRANSPORTATION AUTHORITY PENSION PLAN**

BY-LAWS

ARTICLE I. NAME

This Board shall be known as the Board of Trustees (“Board”) of the Regional Transportation Authority (RTA) Pension Plan (“Plan”).

ARTICLE II. MEMBERS

Section 1. Membership. The membership of this Board shall consist of seven (7) members.

A. Transit Agency Employee Trustees (3)

1. Each Transit Agency (RTA and participating Transit Agencies) shall nominate one employee to serve on the Board. Transit Agency Employee Trustees shall serve until the earlier of (a) his or her resignation from employment with the Transit Agency; or (b) his or her replacement by the Transit Agency by which he or she is employed, as approved by the Board of Directors of the Regional Transportation Authority (“RTA Board”).

2. Transit Agency Employee Trustees will not be remunerated (in addition to their regular salary) for service as a Trustee.

B. Non-employee Trustees (4)

1. All appointments of non-employee Trustees shall be made by the RTA Board. Non-employee Trustees serve for a term of 4 years. Each Non-employee Trustee shall be appointed for one term and may serve a total of 3 consecutive terms; provided, however, that the RTA Board may, in its discretion, make exceptions to term limits.

2. Non-employee Trustees are entitled to receive a stipend of \$300 per meeting for every regular meeting or special meeting called in accordance with the terms of these By-Laws and the Open Meetings Act that they attend. If the Chair permits a remote meeting or otherwise permits remote attendance by one or more non-employee Trustees, such non-employee Trustee shall be entitled to receive the stipend if they attend the meeting remotely.

3. Non-employee Trustees Terms

The term of each non-employee Trustee shall end on December 31 of the fourth year of his or her term.

The RTA Board shall be advised of upcoming vacancies and shall be requested to make an appointment to fill the vacancy.

C. Membership Qualifications

1. A pension trustee shall possess a working knowledge of investment principles and concepts;
2. A pension trustee shall be familiar with fiduciary responsibilities, actuarial concepts, and public pension plan governance; and
3. A pension trustee shall commit to regular education on topics relevant to investments, ethics, and other policies related to pension management.

D. Resignation/Removal of Trustees

A Trustee may resign at any time by submitting a written notice to the Chair of the Board of Trustees. The RTA Board may remove a Trustee at any time by providing written notice to the Trustee and to the Board of Trustees. Employee Trustees will be considered to have resigned when the individual ceases to be an employee of the RTA or participating Transit Agency.

ARTICLE III. OFFICERS AND THEIR DUTIES

Section 1. Chair. The Chair shall be the chief executive officer of the Board; shall preside at all meetings; shall appoint the chairs and members of all special committees; and shall be an ex-officio member of the special committees. The Chair or the Vice Chair shall sign all contracts and agreements upon authorization of the Board. The Chair (or the Chair's delegate) may be authorized, by vote of the Board, to approve expenditures and fund transfers relating to investments. The Chair may also approve other expenditures of the plan presented by the Plan Administrator. The Chair may serve as the primary contact with professional services providers that report to the Trustees, for example, the investment advisor or the investment managers. The Chair may also serve as primary contact for the professional service providers who report to the Pension Committee, for example, the actuary, auditor, custodian, legal counsel and Plan Administrator, as well as to the Chair of the RTA Pension Committee, regarding matters relating to the administration of the RTA Pension Plan.

Section 2. Vice-Chair. The Vice-Chair shall serve as the presiding officer at all meetings in the absence of the Chair. If a vacancy occurs in the office of Chair, the Vice-Chair shall act as Chair until the election of a successor. In the absence of the Chair, the Vice-Chair shall appoint the chairs and members of all special committees. The Vice-Chair shall perform such other duties as the Board may assign. The Chair may designate the Vice-Chair to act as his/her designee for all duties otherwise performed by the Chair in his/her absence.

Section 3. Recording Secretary. The Recording Secretary (or his/her delegate) shall record the proceedings of each Board meeting and shall provide copies to the Trustees. The Recording Secretary shall authenticate any Board resolutions and shall perform such other duties as the Board may assign.

Section 4. Voting. Each Trustee shall have one vote on any question coming before the Board at any meeting at which the Trustee is in attendance. The adoption of a main motion and any election shall require the concurring affirmative votes of a majority of those in attendance and voting (not abstaining). An abstention shall be considered a non-vote and Trustees abstaining shall not be counted when determining the majority required for adoption of a main motion or resolution.

Section 5. Election of Officers. The Chair of the Board of Trustees shall be appointed by the RTA Board. The election of the Vice-Chair and the Recording Secretary shall be conducted annually at the Board's first meeting of the calendar year. When a position subject to Board election becomes vacant, a special election for the position shall be held at the next regularly scheduled Board meeting. Subject to the proviso that such person serve at the pleasure of the RTA Board, person elected to fill the position of Vice-Chair and Recording Secretary serve for a term that expires with the next election for that position or upon resignation from the position by the person holding such position.

ARTICLE IV. MEETINGS

Section 1. Regular Meetings. There shall be a minimum of four (4) regular meetings of the Board each calendar year. The Board shall set the dates and times for regular meetings in accordance with the Open Meetings Act and pursuant to the Authority's applicable policies and procedures. All references contained in this Exhibit C to the Open Meetings Act shall include all related guidance, including, but not limited to Executive Orders, that revise the terms of the Open Meetings Act even if for a limited time.

Section 2. Special , Rescheduled, and Reconvened Meetings. Additional meetings may be called at any time by the Chair or by three (3) Trustees provided proper notice of the meeting is given to all Trustees and to applicable service providers, as required by the Open Meetings Act and pursuant to the Authority's applicable policies and procedures.

Section 3. Closed Sessions. The Board shall be permitted to close a meeting to the public so long as the closure is made in accordance with the Open Meetings Act.

Section 4. Place and Hour of Meetings. Board meetings shall be held at the offices of the Regional Transportation Authority, or at such other location as the Board may determine in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures.

Section 5. Quorum.

- A. Quorum. A majority of the Trustees shall constitute a quorum for the transaction of business at any regular or special Board meeting. A majority of a quorum of the members shall not engage, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging), or other means of contemporaneous interactive communication for the purpose of discussing public business outside of a meeting conducted pursuant to the OMA.

- B. Participation by Telephone or Video. Telephonic meetings shall be permitted to the extent permitted by law. The member must notify the Chair of his or her telephonic participation prior to the meeting unless advance notice is impractical.
- C. Audience Participation. The Board shall hear comments from members of the public who wish to express their views before the Board in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures.

Section 6. Roll Calls. On all motions or resolutions required by law or involving an expenditure of money or the creation of a liability greater than \$10,000, the vote of each Trustee on the motion or resolution shall be recorded in the minutes of the meeting. On any other motion or resolution, such record shall be made at the request of any Trustee in attendance.

Section 7. Reconsideration. No motion for a reconsideration of any vote shall be in order unless such motion is made at the meeting at which the vote sought to be reconsidered was taken, or at the next regular meeting thereafter. Upon the request of any two Trustees who voted with the prevailing side upon any matter, a motion made at the same meeting to reconsider the vote thereon, or a notice given at the same meeting of the two Trustees' intent to move at the next regular meeting for a reconsideration of such vote, shall, unless sooner disposed of, suspend the operation of the original vote until the close of the next regular meeting.

Section 8. Record of Proceedings. The Board shall prepare and maintain a record of all of its proceedings in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures.

ARTICLE V. ORDER OF BUSINESS

Section 1. Reserved.

Section 2. Board Reports. Board reports shall be presented at regular Board meetings.

Section 3. Agenda. The agenda, including the location of the meeting, shall be posted in accordance with the Opening Meetings Act and pursuant to the Authority's applicable policies and procedures.

ARTICLE VI. PROFESSIONAL SERVICES

Section 1. Plan Administrator. The Plan Administrator shall direct and supervise the operation of the Plan in accordance with the Board's rules, orders and resolutions, with respect to facilitation of investment transactions and other transactions authorized and directed by the Board.

The Plan Administrator shall be retained by the RTA Pension Committee.

Section 2. Outside Counsel. The Outside Counsel shall prepare or review all legal instruments relating to the Plan required by the Board for the proper transaction of business;

shall render opinions on all questions referred by the Board; and shall perform such other duties as the Board may assign. Outside Counsel shall be retained by the RTA Pension Committee.

Section 3. Actuary. The Actuary shall be an enrolled actuary; shall provide information relating to the Plan's actuarial liabilities; shall prepare mortality, interest, and other required tables to be used by the Plan; shall assist in the preparation of the annual report of the Plan; shall prepare an annual valuation or statement of liabilities and reserves and periodic studies of the Plan's operating experience; and shall perform such other duties as the Board may assign. The Actuary shall be retained by the RTA Pension Committee.

Section 4. Investment Advisers/Managers. The Board may retain such Investment Managers as it deems appropriate in accordance with Plan documents. Each Investment Manager shall be responsible for the prudent investment of the portion of the Plan's assets which is under its direction. Each Investment Manager shall be governed by the Plan's written investment guidelines and applicable State and Federal law. No assets shall be transferred to an Investment Manager until there is a written agreement with the Investment Manager outlining the Investment Manager's obligations as a fiduciary.

Section 5. Investment Consultant. The Board will engage an Investment Consultant, which will be responsible for measuring/monitoring investment performance and evaluating the Investment Managers and the Plan's overall investment program on an ongoing basis. The Consultant shall advise the Board on investment-related matters and recommend modifications to the investment program policies, objectives, and guidelines as appropriate. The Investment Consultant shall acknowledge its fiduciary status in writing and shall comply fully with the requirements of Federal and State Law relating to the Plan.

Section 6. Professional Services. The Board may retain such other consultants, professionals, and advisors as it deems appropriate, as duly approved by the RTA Pension Committee.

ARTICLE VII. FIDUCIARY DUTIES

Section 1. Ethics Requirements.

A. Code of Ethics. The Trustees shall abide by the Code of Ethics attached hereto as Supplement A.

B. Conflict of Interest. No Trustee, Plan Administrator, Investment Manager or Investment Consultant or other Service Provider (each referred to hereafter as an "Interested Party") shall knowingly cause or advise the Board to engage in an investment transaction with an investment adviser/manager when the Interested Party or his/her spouse, immediate family members, household members or civil union partners (i) has any direct interest in the income, gains or profits of the investment adviser through which the investment transaction is made or (ii) has a relationship with that investment adviser that would result in a pecuniary benefit to the Interested Party as a result of the investment transaction. Each Trustee, Plan Administrator, Investment Manager, Investment Consultant and other Service Provider shall execute a Disclosure Statement certifying that it has no conflict of interest with respect to its services hereunder.

C. Monetary Gain on Investments. No Investment Party shall knowingly have any direct interest in the income, gains or profits of any investments made on behalf of the Plan nor receive any pay or emolument for services in connection with any investment.

Section 2. Trustee Education.

A. Trustee Orientation. The Plan shall periodically provide an orientation program for Trustees with an emphasis on their fiduciary duties.

B. Trustee Training. Trustees must attend ethics/fiduciary training of at least eight (8) hours per calendar year, including training on ethics, fiduciary duty, investment issues and such additional curriculum as the Board deems important for the administration of the Plan. Attendance at training sessions will not be compensated; provided, however, that training that is included in regularly scheduled Trustee meetings will be considered part of that meeting and may be included in the compensation (if any) for that meeting. A certificate of attendance/completion, if available, from any such approved ethics/fiduciary training program shall be filed with the Plan Administrator.

C. Authorized Educational Seminars. Non-employee Trustees may request reimbursement from the Chair of the RTA Pension Committee for registration fees for educational seminars (for example, investment policy and related issues or fiduciary/ethics training) with proper documentation; requests should be submitted prior to the seminar. Non-employee Trustees will not receive reimbursement for related travel expenses; the maximum amount of reimbursement available annually to non-employee Trustees under this subsection is \$1,000. Training may be provided by service providers as a part of or in addition to a Trustees meeting, or as a special off-site training session arranged by service providers; non-employee trustees shall not receive remuneration for training provided by service providers. Employee Trustees may submit their expenses for educational seminars and training through the applicable Transit Agency policies regarding such expenses.

D. Open Meetings Act Training. Trustees should comply with the training requirements outlined in the Open Meetings Act.

Section 3. Indemnification of Trustees. The Board shall indemnify the Trustees against all damage claims and suits, including defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of their duties or under the direction of the Board. The Trustees and Plan Administrator shall not be indemnified for willful misconduct or gross negligence.

Section 4. Prohibition on Employment with Plan's Providers. No Trustee shall accept employment with or serve as an officer, director, or trustee of any entity that does business with or provides services to the Plan or is seeking business from the Plan without first obtaining the approval of the Board.

ARTICLE VIII. PARLIAMENTARY AUTHORITY

The current edition of ROBERT'S RULES OF ORDER NEWLY REVISED shall govern this Board to the extent that it is applicable and not inconsistent with these by-laws and the terms of the Illinois Compiled Statutes.

ARTICLE IX. AMENDMENTS

These By-laws are part of the RTA Pension Plan document and as such any change to the By-laws requires amendment of the RTA Pension Plan. The Trustees may recommend amendments to the By-laws to the Pension Committee; the Pension Committee shall review and approve the proposed amendment and shall present such amendment to the RTA Board for adoption, in accordance with the provisions of the RTA Pension Plan document. Any amendment to the By-laws proposed by the Trustees shall not be inconsistent with any provision of the RTA Pension Plan document or applicable law. The Trustees shall cooperate with the Pension Committee to ensure that the proposed amendment is in proper form and format prior to submission of the amendment to the RTA Board.

ARTICLE X. CONSISTENCY WITH RTA PENSION PLAN

To the extent these By-laws are inconsistent with or in any manner conflict with any provision of the RTA Pension Plan, the Plan shall control.

Supplement A

ETHICS POLICY

INTRODUCTION

This Policy applies to all members of the RTA Pension Plan Board of Trustees and is designed to be in compliance with the Illinois State Officials and Employees Ethics Act, 5 ILCS 430 (the “Ethics Act”) as it applies to the RTA and related Service Boards. This policy shall be interpreted subject to the standards in the Ethics Act. In an instance where either the Ethics Act or this Ethics Policy contains stricter provision, the stricter provision shall apply, and in any instance in which a direct conflict arises between the Ethics Act or this Ethics Policy, the Ethics Act shall apply.

RESPONSIBILITIES OF TRA TRUSTEES

Appearance of Impropriety

Trustees have a special relationship of trust regarding their duties with the public and therefore must conduct themselves so as to avoid the appearance that they are violating the provisions of this Ethics Policy. Whether particular circumstances create an appearance that these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

Fiduciary Duty

Trustees owe a fiduciary duty to the RTA Pension Plan at all times in the performance of their duties.

Conflict of Interest

No Trustee shall make or participate in the making of any decision relating to the RTA Pension Plan with respect to any matter in which he or she has any economic interest distinguishable from that of the general public.

No Trustee shall participate directly or indirectly in the selection, award or administration of a contract or services agreement if a real or apparent conflict of interest exists. Such a conflict would arise when any of the following persons has a financial or economic interest in the entity selected for award: (a) a Trustee or their agent, partner, associate or affiliate; (b) a relative of the Trustee; or (c) an organization that employs, or intends to employ, any of the above.

Any Trustee who has any economic interest distinguishable from that of the general public in any matter pending before the Board shall disclose the nature and extent of such interest or business relationship on the records of proceedings of the Board. The Trustee shall abstain from voting on the matter but shall be counted present for purposes of a quorum. The obligation to report a potential conflict of interest under this paragraph arises as soon as the Trustee is or should be aware of such potential conflict.

Any firm, partnership, association or corporation from which a Trustee, his or her spouse, and any immediate family members living with that person are entitled to receive in the aggregate more than fifteen percent (15%) of the total distributable income is prohibited from having or acquiring any contract or direct pecuniary interest in any contract which will be performed in whole or in part by the payment of funds or the transfer of property of the RTA Pension Plan.

Ethics Training

Each Trustee must, at least annually, complete an ethics training program approved by the RTA Ethics Officer and, by the deadline set by the RTA Ethics Officer, certify to the RTA Ethics Officer that such training has been completed.

Statement of Economic Interests

The Plan Administrator of the RTA Pension Plan will prepare a list of Trustees and Service Providers who are required to file a Disclosure Statement (copy attached to this Exhibit A). Such Disclosure Statement will be renewed when the Trustee is first appointed to the Board, at the beginning of each new term of the Trustee or at the request of the Plan Administrator.

Gift Ban

Unless otherwise permitted under the Ethics Act, Trustees, their spouses and immediate family members living with them are banned from intentionally soliciting or accepting any gifts from any “prohibited source” or in violation of any federal or State statute, rule, or regulation. No prohibited source shall intentionally offer or make a gift that violates this Section.

Prohibited Political Activities

Trustees shall not intentionally perform any prohibited political activity in their capacity as Trustee. Trustees shall not intentionally misappropriate any RTA Pension Plan property or resources by engaging in any prohibited political activity for the benefit of any campaign for elective office or any political organization.

Sanctions

The RTA Pension Board shall make a copy of this Policy available to all Trustees and shall institute procedures for its enforcement. Violation of this Policy may subject the offending Trustee to disciplinary action, including removal from the RTA Pension Board.