

TOWN OF WINDSOR, CONNECTICUT  
RETIREMENT PLAN  
Amended and Restated  
Effective as of January 1, 1989  
(except as otherwise indicated herein)

Revised March 2007

The Town of Windsor, Connecticut, and the Board of Education of the Town of Windsor, Connecticut hereby adopt and publish the following Plan, which is an amendment and restatement of the plan covering Employees of the Town and of the Board of Education prior to the Effective Date hereof which is January 1, 1989, except as otherwise specifically provided herein. The provisions of the Plan, as amended and restated, apply to those Employees who retire or otherwise terminate service with the Employer on or after the Effective Date. The rights to benefits, if any, of any former Employee who retired or otherwise terminated employment before the Effective Date of the provisions of this amended and restated Plan, together with the amounts of such benefits, shall continue to be governed by the provisions of the Plan in effect as of the date of such retirement or termination of employment.

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ARTICLE I  
Definitions

1. “Actuarial Equivalent” means an amount of equal value determined in accordance with the following actuarial assumptions:

Interest Rate - 6%

Mortality - 1984 Unisex Pension Table with ages set back 6 years for Participants and 1 year for Contingent Annuitants and Beneficiaries

Notwithstanding the foregoing, for determining the Actuarial Equivalent of small lump sum distributions pursuant to Section 2. of Article XV, effective January 1, 1999, the following actuarial assumptions shall instead apply:

Interest Rate - The annual rate of interest on thirty (30) year Treasury securities as specified by the Secretary of the Treasury for November of the calendar year preceding the calendar year in which the distribution is made.

Mortality - The mortality table prescribed by the Secretary of the Treasury.

2. “Administrator” means the person or body which is to perform the administrative functions set forth in Article XII hereof.
3. “Average Monthly Earnings” means an Employee’s monthly Earnings averaged over the highest 36 consecutive months of his or her employment with the Employer in the last 120 months prior to his or her termination of employment.

4. “Beneficiary” means the person designated pursuant to Article II to receive the benefits which are payable under the Plan upon or after the death of a Participant.
5. “Code” means the Internal Revenue Code of 1986, as amended, as it may from time to time be amended.
6. “Contingent Annuitant” means the person designated pursuant to Section 2. of Article VIII.
7. “Continuous Service” means the period of uninterrupted employment of an Employee with the Employer.
8. “Credited Interest” means interest at the rate of 6% per annum compounded annually on a calendar year basis which is to be applied to Employee Contributions in accordance with the provisions of this Plan.
9. “Earnings” means an Employee’s annual salary or wage, including overtime and longevity payments but excluding any payments for more than 30 unused vacation days (but including any salary deferrals made by an Employee to another retirement plan of the Employer), as reported by the Employer to the Internal Revenue Service for income tax purposes; provided however, that any Earnings in excess of \$200,000 (subject to cost-of-living adjustment as provided in Section 415(d) of the Code in accordance with Treasury Regulations) shall not be taken into account.

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for calendar years beginning on or after

January 1, 1994, the Earnings of each Employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Earnings are determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For calendar years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision.

If Earnings for any prior determination period are taken into account in determining an Employee's benefits accruing in the current calendar year, the Earnings for that prior determination period are subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first calendar year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is \$150,000.

10. "Effective Date" of this amended and restated plan means January 1, 1989, except as otherwise provided herein. The original Plan was effective July 1, 1971.
11. "Employee" means any person enrolled on the active employment rolls of the Employer on or after the Effective Date of this Plan who meets the requirements in Article II hereof

and whose customary employment is for more than twenty (20) hours in any one week and for more than five (5) months in any one year, excluding uniformed members of the Police Department and Employees of the Board of Education who have been, are, or shall be eligible for membership in the State Teachers' Retirement Board.

**Effective April 1, 2007 "Employee for the Town of Windsor, means any person enrolled on the active employment rolls of the Employer on or after the effective date of this Amendment who meets the requirements in Article II hereof, and whose employment status is regular, full time, excluding uniformed members of the Police Department and Employees of the Board of Education who have been, are, or shall be eligible for membership in the State Teachers' Retirement Board.**

**"Employee" for the Town of Windsor Board of Education, means any person enrolled on the active employment rolls of the Board of Education on or after the effective date of this Amendment who meets the requirements in Article II hereof and whose position is covered by the Paraprofessional Employees Association, School Employees' Union, School Nurses Association, Administrative Support Staff Union, or who is an unaffiliated full time employee, excluding employees of the Board of Education who have been, are, or shall be eligible for membership in the State Teachers' Retirement Board.**

**Notwithstanding the foregoing, any person enrolled on the active employment rolls of the Employer who is a Participant in the Plan on the effective date of this**

**Amendment shall continue to participate in the Plan, pursuant to and in accordance with other Plan requirements.”**

12. “Employer” means the Town of Windsor and the Board of Education of the Town of Windsor.
13. “415 Compensation” with respect to any Employee means such Employee’s wages as defined in Code Section 3401(a) and all other payments of compensation by the Employer (in the course of the Employer’s trade or business) for a Plan Year for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052. “415 Compensation” must be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).
14. “Fund” means all funds received by the Funding Agent from the Employer for any Employee, pursuant to the terms hereof, together with all income, profits, and increments thereon, and any expenses, losses and payments therefrom.
15. “Funding Agent” means the trustee, Insurance Company, or other entity, or any combination of the foregoing, which is maintaining custody of all or a portion of the Fund.



16. “Funding Agreement” shall mean the trust agreement, Group Annuity Contract or other insurance contract, or any combination of the foregoing, pursuant to which the Funding Agent maintains custody of the Fund.
17. “Group Annuity Contract” means a contract issued by the Insurance Company providing for the payment of Retirement Benefits to Employees who become entitled to such benefits in accordance with the provisions of this Plan.
18. “Insurance Company” means a legal reserve life insurance company organized and incorporated under the laws of any one of the United States of America and duly licensed in the State of Connecticut.
19. “Participant” means any Employee who participates in the Plan pursuant to Article II.
20. “Plan” means the Town of Windsor, Connecticut Retirement Plan as it may from time to time be amended for the purpose of providing Retirement Benefits for Employees of the Employer who are eligible to participate herein in accordance with the provisions of this Plan.
21. “Retired Employee” means a former Employee who is retired under this Plan and who is receiving Retirement Benefits provided for hereunder.
22. “Retirement Benefit” means the monthly payments to which an Employee shall become entitled hereunder.

23. "Retirement Plan Committee" means the committee established pursuant to Article XII hereof.

24. "Social Security Benefit" means the estimated, unreduced annual primary old-age insurance amount which an Employee would be entitled to receive commencing on the first day of the month next following the Employee's sixty-fifth (65th) birthday under the Federal Social Security Act in effect at the time of the Employee's death, termination of employment, or retirement, whichever shall first occur.

In determining an Employee's Social Security Benefit, (1) the Employee's earnings while employed by the Employer shall be determined from the Employer's records and (2) the Employee's earnings prior to employment with the Employer shall be determined by applying a salary scale which is the actual change in average wages from year to year as determined by the Social Security Administration, projected backwards, to the Employee's monthly Earnings at commencement of service with the Employer. If an Employee retires prior to age 65, it shall be assumed for purposes of calculating his or her Social Security Benefit that the Employee continued to have monthly Earnings until age 65 equal to his or her monthly Earnings at the time of his or her retirement. The Social Security Benefit so determined shall be multiplied by a fraction, the numerator of which is the actual number of years of Continuous Service completed by the Employee, not to exceed 30, and the denominator of which is 30.

Each Employee shall have the right to have his or her Social Security Benefit calculated on the basis of the Employee's actual earnings history if sufficient

documentation is supplied to the Administrator by the Employee not later than one hundred eighty (180) days following the later of the date of separation from service or the date upon which the Employee is notified of the benefit to which he or she is entitled. An Employee who supplies such documentation to the Employer shall be deemed to have irrevocably elected to have his or her Social Security Benefit calculated on such basis.

25. “Total and Permanent Disability” means a physical or mental condition of an Employee resulting from bodily injury, disease or mental disorder which renders him or her incapable of continuing any gainful occupation and which condition constitutes total disability under the federal Social Security Acts. Such disability will not be considered established unless it has continued for a period of not less than six (6) consecutive months.

ARTICLE II  
Eligibility for Inclusion

Effective as of October 8, 1998, each new Employee shall be eligible to participate in this plan as of the first day of the pay period coincident with or next following his or her date of hire provided he or she has signed such application forms as the Administrator prescribes, authorized payroll deduction, designated a Beneficiary to receive any death benefits hereunder, and provided satisfactory evidence of his or her date of birth and such other data as the Administrator deems necessary or desirable. Plan participation is mandatory upon meeting the eligibility requirements.

ARTICLE III  
Employee Contributions

Employee Contribution

Effective January 1, 1999, an eligible Employee shall, each month while he or she is included in this Plan, contribute through payroll deductions 2.25% of his or her monthly Earnings as determined and reported by the Administrator.

ARTICLE IV  
Credited Service

1. Effective as of October 9, 1998, Credited Service shall mean the number of years and months of Continuous Service with the Employer, as determined by the Administrator, completed by the Employee from his or her date of hire to the date of termination of employment; provided, however, that (i) Credited Service of an Employee who was excluded from participation in the Plan prior to January 1, 1988 because he or she had attained the age of sixty (60) years on his or her initial date of hire and who thereafter became a Participant in the Plan on January 1, 1988 shall only be counted from the date such Employee becomes a Participant in the Plan, (ii) Credited Service of an Employee who attained age 65 prior to January 1, 1988 and who completes at least one hour of service on or after January 1, 1988 shall include the period from attainment of age 65 to January 1, 1988 only to the extent that the Employee has made contributions to the Plan pursuant to Article III, (iii) food service Employees of the Board of Education of the Town of Windsor shall not receive Credited Service for periods prior to February 19, 1986, and (iv) members of the Windsor Paraprofessional Employees Association, NAGE Local R1-140 shall not receive Credited Service for periods prior to September 1, 1990.
  
2. Continuous Service with the Employer shall not be broken in the event of -

- (a) Absence with the consent of the Administrator during any period not in excess of one year, except that the Administrator may consent to extend the period of leave.
- (b) Absence from work because of occupational injury or disease incurred as a result of employment with the Employer, for which absence an Employee shall be entitled to Worker's Compensation payments.
- (c) Absence in the service of the armed forces of the United States, provided the Employee shall re-enter the employ of the Employer within the statutory period during which his or her right to reemployment is guaranteed after he or she has first become eligible for discharge or separation from active duty.

In interpreting this Section 2., the Administrator will apply uniform rules in a like manner to all Employees under similar circumstances.

3. Except as otherwise provided herein below, an Employee shall not receive Credited Service in the case of any of the periods of absence set forth in Section 2. above but shall retain Credited Service accrued prior to such absence. Upon return to employment after an approved absence, the Employee will again accrue Credited Service. Notwithstanding the foregoing, effective January 1, 1999, in the event that an Employee continues to make contributions to the Plan pursuant to Article III during a period of absence set forth in Section 2. above, he or she will continue to receive Credited Service during the period of absence.

4. Failure to return to the employ of the Employer by the end of any period specified in Section 2. above shall be considered a termination of employment. Any other absence shall also be considered a termination of employment. Any Employee whose employment has been terminated shall, for the purpose of this Plan, be deemed a new Employee upon resumption of his or her employment unless he or she is vested in accordance with Article X hereof.



ARTICLE V  
Retirement Dates

1. Normal Retirement Date

An Employee's Normal Retirement Date shall be the first day of the month coincident with or next following the earliest of:

- (a) the 65th anniversary of his or her date of birth, or
- (b) the completion of 30 years of Credited Service, but not earlier than the 55th anniversary of his or her date of birth, or
- (c) for Participants in the Plan as of December 31, 1979, the completion of 35 years of Credited Service.

2. Early Retirement Date

With the consent of the Administrator, an Employee who is 55 years of age and has completed at least 10 years of Credited Service may elect to terminate employment and retire on an Early Retirement Date which may be the first day of any month.

3. Deferred Retirement Date

An Employee may elect to defer his or her Retirement and retire on the first day of any month following his or her Normal Retirement Date.

ARTICLE VI  
Retirement Benefits

1. Normal Retirement Benefit

- (a) For Employees hired on or after October 9, 1998, the monthly amount of Normal Retirement Benefit payable to an Employee who retires on his or her Normal Retirement Date shall be 1.75% of his or her Average Monthly Earnings multiplied by his or her Credited Service.
- (b) For Employees employed as of October 8, 1998, the Normal Retirement Benefit shall be the greater of (a) above, or
  - (i) for an Employee who retires on his or her Normal Retirement Date and to whom a Social Security Benefit is available on such Normal Retirement Date, 2% of his or her Average Monthly Earnings multiplied by his or her Credited Service less the following percentage of his or her Social Security Benefit as defined in Article I, Section 24. hereof.

Number of Years Normal Retirement Date

<u>Precedes Age 65</u>			
<u>0</u>	<u>1</u>	<u>2</u>	<u>3 or more</u>
50%	46.7%	43.3%	40%

If the period between the Normal Retirement Date and age 65 is not an integral number of years, the percentage to be applied shall be interpolated from the above values.

- (ii) for an Employee who retires on his or her Normal Retirement Date and to whom a Social Security Benefit is not available on such Normal Retirement Date, 2% of his or her Average Monthly Earnings multiplied by his or her Credited Service. Commencing with the first month for which a Social Security Benefit is or would upon timely application be available, the Normal Retirement Benefit will be reduced by 40% of the Social Security Benefit defined in Article I, Section 24. hereof.

## 2. Early Retirement Benefit

- (a) For Employees hired on or after October 9, 1998, the monthly amount of Early Retirement Benefit payable to an Employee retiring on his or her Early Retirement Date shall be equal to the amount specified in 1(a) above, reduced as provided in (c) below.
- (b) For Employees employed as of October 8, 1998, the monthly amount of Early Retirement Benefit payable to an Employee retiring on his or her Early Retirement Date shall be equal to the greater of (a) above, or 2% of his or her Average Monthly Earnings multiplied by his or her Credited Service to his or her Early Retirement Date less 50% of his or her Social Security Benefit, reduced as provided in (c) below.

(c) The reduction for Early Retirement Benefits is as follows:

Number of Years Early Retirement Date									
Precedes Normal Retirement Date									
0	1	2	3	4	5	6			
7	8	9	10						
100.0	93.3	86.6	80.0	73.2	66.5	63.2	60.0	56.6	53.3
50.0									

If the period between the Early Retirement Date and Normal Retirement Date is not an integral number of years, the percentage to be applied shall be interpolated from the above values.

3. Deferred Retirement Benefit

The monthly amount of Deferred Retirement Benefit payable to an Employee who retires on a Deferred Retirement Date shall be determined as in Section 1(a) or 1(b) above, as if such Deferred Retirement Date was the Employee's Normal Retirement Date.

4. Forfeitures

No part of any forfeitures resulting from the application of any provision of this Plan shall be applied to increase the benefits any Employee would otherwise receive under this Plan.

5. Cost of Living Adjustments

Effective as of January 1, 1999, in the event of an increase in the cost of living adjustment that applies to primary insurance amounts (including special minimum primary insurance amounts), family maximum benefit amounts and transitional and special age 72 benefits under the federal Social Security Act for a calendar year, the amount of Retirement Benefit payable to a Retired Employee on and after July 1 of such calendar year shall be increased by the same percentage; provided, however, that any such cost of living adjustment shall not be made to a Retired Employee's Retirement Benefit until July 1 following the end of the 12-month period beginning on the Retired Employee's Retirement Date.

ARTICLE VII  
Total and Permanent Disability

1. Service Connected Disability

- (a) An Employee who is deemed to have a Total and Permanent Disability and whose Total and Permanent Disability is a direct result of his or her employment with the Employer shall be eligible for a disability benefit as outlined in b. below.
- (b) The monthly amount of disability benefit applicable to Employees described in this Section shall be the greater of (i) and (ii) below.
  - (i) A benefit determined in the same manner as his or her Normal Retirement Benefit based on Credited Service and Average Monthly Earnings as of the date of his or her Total and Permanent Disability.
  - (ii) 50% of his or her monthly Earnings averaged over the 12 month period immediately preceding such Total and Permanent Disability.

2. Non Service Connected Disability

- (a) An Employee who suffers a Total and Permanent Disability and has completed at least 10 years of Credited Service with the Employer and whose Total and Permanent Disability is not a direct result of his or her employment

with the Employer shall be eligible for a disability benefit as outlined in  
b. below.

- (b) The monthly amount of disability benefit applicable to an Employee described in this Section shall be determined in the same manner as his or her Normal Retirement Benefit based on Credited Service and Average Monthly Earnings as of the date of his or her Total and Permanent Disability.
3. The minimum monthly disability benefit payable under 1 and 2 above shall be \$300.00.
4. Anything to the contrary notwithstanding the Disability Benefit payable under this Plan shall be adjusted if necessary, so that the total of all disability compensation funded through Employer contributions does not exceed 75% of the Employee's Average Monthly Earnings as of his or her date of Total and Permanent Disability.
5. The Employer may require proof of continued Total and Permanent Disability. Such proof may be required from time to time but not more frequently than once every six (6) months.
6. The disability benefit shall be payable monthly commencing with the first day of the month following establishment of Total and Permanent Disability and

shall terminate with the last monthly payment due preceding the earliest of the following dates:

- (a) the date of the death of the Employee,
- (b) the date the Employee is deemed to no longer have a Total and Permanent Disability, and
- (c) the Employee's Normal Retirement Date.

7. If the disability benefit ceases as a result of the death of the Employee, a death benefit shall be payable which shall be the excess, if any, of (a) over (b), below:

- (a) The total amount of Employee Contributions actually made by the Employee with Credited Interest to the date of Total and Permanent Disability,
- (b) The total amount of disability benefit payments already made to the Employee.

If the disability benefit ceases because the Employee has attained his or her Normal Retirement Date, payment of the Normal Retirement Benefit shall commence as of such date and the Normal Retirement Benefit shall be determined using Credited Service and Average Monthly Earnings as of the Employee's date of Total and Permanent Disability.



ARTICLE VIII  
Form and Payment of Benefits

1. Normal Form of Retirement Benefit

A Retired Employee's Retirement Benefit shall normally be payable in the form of a monthly Life Annuity commencing on his or her actual Retirement Date and ceasing with the last payment due immediately preceding the Retired Employee's death. Any Death Benefit payable under this Section will be determined in accordance with Article IX hereof.

2. Contingent Annuitant Option

- (a) In lieu of the Normal Form of Retirement Benefit described in Section 1. above, an Employee may elect a Contingent Annuitant Option which provides for a benefit, which is the Actuarial Equivalent of the Normal Form of Retirement Benefit, payable to the Retired Employee during his or her lifetime and for the continuance of such payments in either the same or a percentage of such benefit to a Contingent Annuitant, if living, after the Retired Employee's death.
- (b) If the Contingent Annuitant is the spouse of the Retired Employee or if the Contingent Annuitant is any other person not more than thirty years younger than the Retired Employee, the benefit payable under this option is payable without restriction. If, however, the Contingent

Annuitant is a person other than the spouse of the Retired Employee and is more than 30 years younger than the Retired Employee, the benefit otherwise payable under this option to the Contingent Annuitant shall be limited so that the value of the annuity payable to the Contingent Annuitant shall be less than fifty percent (50%) of the value of the Retired Employee's total original benefit, both calculated as of the Retired Employee's actual Retirement Date.

- (c) The monthly payment to the Contingent Annuitant shall commence on the first day of the month following the month in which the Retired Employee dies, if the Contingent Annuitant is then living, and shall continue monthly with the last payment due for the month in which the Contingent Annuitant's death occurs.
- (d) No monthly benefit will be payable to a Contingent Annuitant if the Employee dies before his or her first Retirement Benefit payment becomes due. If the Contingent Annuitant pre-deceases the Retired Employee after retirement, the Retirement Benefit payments will cease upon the Retired Employee's death.

3. Option for Life Annuity with 60 or 120 Payments Guaranteed

- (a) In lieu of the Normal Form of Retirement Benefit described in Section 1. above, an Employee may elect an Option for Life Annuity with 60 or 120

Payments Guaranteed which provides for a benefit, which is the Actuarial Equivalent of the Normal Form of Retirement Benefit, payable to the Retired Employee during his or her lifetime with the guarantee that not less than a total of 60 or 120 monthly Retirement Benefit payments will be made to the Retired Employee and his or her named Beneficiary.

- (b) If this option is elected and the Retired Employee dies prior to the receipt of the guaranteed monthly payments, the balance of the guaranteed monthly payments will be paid to the Retired Employee's named Beneficiary until a total of 60 or 120 monthly payments has been made to the Retired Employee and his or her named Beneficiary. The first such payment to the Beneficiary shall be due and payable as of the first day of the month following the Retired Employee's death.
- (c) In the event there is no named Beneficiary living at the death of the Retired Employee, the balance of the 60 or 120 guaranteed monthly payments, which would otherwise have become payable to the Retired Employee's Beneficiary, shall be commuted to a single sum Actuarial Equivalent and shall be paid to the Retired Employee's executors or administrators.
- (d) If the Beneficiary of a deceased Retired Employee should die prior to receiving the balance of the 60 or 120 guaranteed monthly payments, the balance of the guaranteed monthly payments which would otherwise have become payable to the Retired Employee's Beneficiary shall be

commuted to a single sum Actuarial Equivalent and shall be paid to the Beneficiary's executors or administrators.

4. At the time an Employee elects one of the optional forms of Retirement Benefit, he or she must designate his or her Retirement Date. Once an optional form of Retirement Benefit is elected and accepted by the Administrator, it cannot be rescinded by the Employee without the written consent of the Administrator. In no event shall the consent of any person entitled to receive payments upon the death of the Employee be required as a condition to the right of an Employee to revoke or change any option previously elected.
5. Anything in this Plan to the contrary notwithstanding, the Employee shall not have the right prior to his or her retirement irrevocably to elect to have all or a part of his or her interest in this Plan, which would otherwise become available to him or her during his or her lifetime, paid only to his or her Beneficiary after his or her death.
6. If a Retired Employee is re-employed on a full time basis by the Employer, his or her Retirement Benefit payments shall cease with the last payment due prior to his or her re-employment. Retirement Benefit payments shall again become payable on the first day of the month following subsequent termination of employment.
7. An Employee's benefits shall be distributed to him or her not later than April 1st of the calendar year following the later of (i) the calendar year in

which the Employee attains age 70½, or (ii) the calendar year in which the Employee retires, or such benefit shall be distributed commencing not later than such date, over the life of the Employee (or the lives of the Employee and the Employee's designated Beneficiary) in accordance with Treasury Regulations.

8. Direct Rollover

- (a) This Section applies to distributions made on or after January 1, 1993.

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 Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

- (b) Definitions.

- (1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period

of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.

(2) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) 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. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee: A 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, are distributees with regard to the interest of the spouse or former spouse.

- (4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

9. Maximum Benefit.

Notwithstanding anything in this Plan to the contrary, benefits provided hereunder shall comply with the limitations of Section 415 of the Code and the Treasury Regulations thereunder applicable to governmental plans, the provisions of which are hereby specifically incorporated herein. For purposes of applying such limitations, an Employee's compensation shall be defined within the meaning of "415 Compensation" set forth in Article I of this Plan.

ARTICLE IX  
Death Benefits

1. Death Before Retirement

If an Employee should die prior to his or her Retirement Date, the total of his or her Employee Contribution with Credited Interest shall be paid to his or her named Beneficiary.

2. Death After Retirement

If an Employee should die after his or her Retirement Date and has not elected one of the optional forms of Annuity in Article VIII hereof, a death benefit shall be payable which shall be the excess, if any, of (a) over (b) below:

- (a) The total amount of Employee Contribution actually made by the Employee with Credited Interest to his or her actual Retirement Date.
- (b) The total amount of Retirement Benefit payments and disability benefits already made to the Employee.

3. Death of a Contingent Annuitant

If an Employee's Contingent Annuitant should die while receiving benefits in accordance with Article VIII hereof, a death benefit shall be payable which shall be the excess, if any, of (a) over (b) below:



- (a) The total amount of Employee Contribution actually made by the Employee with Credited Interest to his or her actual Retirement Date.
- (b) The total amount of Retirement Benefit payments already made to the Employee and the Contingent Annuitant.

ARTICLE X  
Termination of Employment

1. An Employee who terminates employment with the Employer prior to his or her Early or Normal Retirement Date, after meeting the following requirements, shall be entitled to a Retirement Benefit as determined in Section 4. of this Article. Such benefit is subject to the percentage and requirements indicated in this Section 1. and shall be payable commencing on what would have been his or her Normal Retirement Date in the same form as his or her Normal Retirement Benefit.

Percentage and Requirements:

100% vesting after completion of 5 years of Credited Service.

2. Any Employee who terminates his or her employment with the Employer prior to his or her Early or Normal Retirement Date and who does not meet the requirements under Section 1. above shall lose all rights to Credited Service accrued prior to such date and upon re-employment shall be considered a new Employee for the purposes of this Plan.
3. An Employee described in Section 2. above shall receive the return of his or her Employee Contributions with Credited Interest to his or her date of Termination of Employment.

4. The monthly amount of Normal Retirement Benefit payable to an Employee in accordance with this Article, subject to the provisions of Section 1. above, shall be determined in the same manner as his or her Normal Retirement Benefit based on full- time Credited Service to his or her date of termination of employment.
  
5. An Employee who meets the requirements of Section 1. hereof may upon request receive a return of his or her Employee Contributions with Credited Interest in lieu of all other benefits under this Plan.

ARTICLE XI  
Funding

1. For the purpose of funding the Retirement Benefits provided for herein, the Administrator shall enter into one or more Funding Agreements with one or more Funding Agents as may be selected by the Retirement Plan Committee from time to time, with such powers in each Funding Agent as to investment, reinvestment, control and disbursement of all or part of the Fund as shall be in accordance with the provisions hereof.
2. The Employer will make periodic payments to each Funding Agent, including Employee Contributions paid in accordance with Article III hereof. The amount of such payments shall be based upon actuarial estimates furnished by a qualified actuary selected by the Administrator.
3. No part of the funds held by a Funding Agent shall be used for or diverted to purposes other than for the exclusive benefit of Employees covered under this Plan prior to the satisfaction of all liabilities hereunder with respect to them.
4. No person shall have any interest in or right to any of the funds contributed to or held by a Funding Agent except as expressly provided in this Plan and then only to the extent that such funds have been contributed by the Employer and Employees to the Funding Agent.

5. The Retirement Plan Committee expressly reserves the right to change the method of funding at any time at its own election and without the consent of any person or organization of any kind.

ARTICLE XII  
Administration

1. The Retirement Plan Committee shall consist of the Town Manager, the Director of Finance, the Superintendent of Schools, and an employee of the Board of Education designated by the Superintendent of Schools. The Retirement Plan Committee shall have all powers necessary to determine in its sole discretion all questions concerning the administration of the Plan, including without limitation questions of eligibility of Employees, funding policy, and the amount of the benefits payable hereunder. In addition, the Retirement Plan Committee shall have full authority to interpret and apply the provisions hereof, including, without limitation, authority to correct any defects or omissions or reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Retirement Plan Committee may make such rules and regulations for the administration of the Plan and the interpretation and application of the provisions hereof as it deems necessary or desirable. Any determination by the Retirement Plan Committee within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons.
  
2. The Retirement Plan Committee shall have authority, in its sole discretion, to designate or appoint, from time to time, in writing, (a) persons to render advice to it with regard to any responsibility it has under the Plan, (b) persons to carry

out specified responsibilities for the operation and administration of the Plan, other than any responsibility to manage or control the assets of the Plan provided for in any Funding Agreement, and (c) persons to act as investment managers to manage (including the power to acquire and dispose of) any assets of the Plan. Any such person shall serve at the pleasure of the Retirement Plan Committee and may resign by delivering written notice to the Retirement Plan Committee. The Retirement Plan Committee may delegate any of its powers and duties to any person referred to in clause (b) above, subject to the limitation contained therein. Any such delegation of powers and duties shall be made and acknowledged in writing.

3. The Retirement Plan Committee shall designate the Administrator of the Plan. The Administrator shall carry out the duties required of the Administrator by applicable provisions of the Plan. The Administrator shall serve at the pleasure of the Retirement Plan Committee and may resign by delivering written notice to the Retirement Plan Committee.
4. Any action which the Retirement Plan Committee is authorized or required to take may be taken by a majority of the members of the Retirement Plan Committee then holding office. The action of such majority of the members of the Retirement Plan Committee, expressed by a vote at a meeting, or in writing without a meeting, shall constitute the action of the Retirement Plan Committee, and shall have the same effect for all purposes as if assented to by all the members of the Retirement Plan Committee then holding office.

5. The Retirement Plan Committee may from time to time appoint a secretary, who may or may not be a member of the Retirement Plan Committee and who shall serve at the pleasure of the Retirement Plan Committee and may resign by delivering written notice to the Retirement Plan Committee. The Retirement Plan Committee may from time to time authorize any one or more of its members to execute any document on behalf of the Retirement Plan Committee.
6. A member of the Retirement Plan Committee who is also a Participant shall not vote on the exercise of any rights or options or on any other matter with respect to his or her rights as a Participant; provided, however, that this prohibition shall not be construed as preventing such member from voting on matters which affect all Participants.
7. The Retirement Plan Committee shall keep such records of its proceedings and acts as may in its discretion be necessary or desirable for the proper administration of the Plan. The Employer may at any time inspect the records of the Retirement Plan Committee or have the same inspected by any agent or Employee and may at any time demand an accounting from the Retirement Plan Committee.
8. The members of the Retirement Plan Committee shall serve without compensation for services as such, but any member of the Retirement Plan Committee who does not receive a salary from the Employer shall be paid such



reasonable compensation for attending meetings of the Retirement Plan Committee as may be determined by the Employer in its sole discretion. All expenses properly attributable to the operation and administration of the Plan, including fees paid to agents, advisors, counsel, investment managers, and other persons designated or appointed by the Retirement Plan Committee to assist it, shall be paid by the Plan.

## ARTICLE XIII

### Right of the Employer to Discontinue or Amend this Plan

1. The Employer intends to continue this Plan and payment of contributions therefor indefinitely; but continuance of this Plan is not assumed as a contractual obligation, or other obligation, of the Employer, and the right is reserved by the Employer to reduce, suspend, or discontinue its contributions hereunder at any time. In the event of a suspension which ripens into a discontinuance, such discontinuance shall be retroactive to the date the last suspension of contributions commenced.
  
2. The Employer shall have the right to amend this Plan at any time and to any extent that it may deem advisable. No such amendment, however, shall:
  - (a) vest in the Employer any interest in the funds accumulated in accordance with this Plan or the Retirement Benefits provided hereunder, or
  - (b) deprive any Employee who has retired under this Plan, prior to the date of amendment, of the right to receive any Retirement Benefit under this Plan or change the provisions thereof, provided, however, that any change or modification for the purpose of conforming this Plan to the requirements of the Code or of any other pertinent provisions of Federal or State Law, or of any regulation or ruling of any duly constituted

authority in connection therewith, may be made effective at any time with retroactive effect.

ARTICLE XIV  
Procedure on Discontinuance of this Plan

1. This Plan shall be discontinued upon written notice by the Employer to the Employees covered hereunder and upon written notice to the Insurance Company of discontinuance of this Plan. A complete discontinuance of contributions by the Employer shall be deemed a discontinuance of this Plan.
  
2. In the event this Plan shall be discontinued or if contributions hereunder are discontinued permanently by the Employer, no further payments shall be made to a Funding Agent. At the date of discontinuance of this Plan, Employees shall be entitled to the return of their Contributions to this Plan plus Credited Interest, or in lieu thereof may elect paid up Deferred Retirement Benefits. The funds available for the purchase of Retirement Benefits for Employees and former Employees retaining a vested interest under this Plan remaining in the hands of a Funding Agent shall become vested in said Employees covered under this Plan at the date of discontinuance in the manner hereinafter indicated.
  - (a) Any funds which shall be available for distribution upon discontinuance of this Plan shall be applied to guarantee continuity of benefits for Retired Employees receiving benefits at the date of such discontinuance.

- (b) Any funds which shall be available for distribution upon discontinuance of this Plan after the purchase of benefits described in (a) above, shall be applied to purchase Retirement Benefits, at the date of such discontinuance, for Employees eligible on that date for normal retirement hereunder in amounts to which said Employees shall be entitled under this Plan to the extent that sufficient funds therefor shall be available.
- (c) Any funds which shall be available for distribution after the purchase of Retirement Benefits described in (a) and (b) above shall be applied to purchase Retirement Benefits, at the date of such discontinuance, for persons who are receiving disability Retirement Benefits under this Plan in amounts to which said persons were receiving to the extent that sufficient funds therefor shall be available.
- (d) Any funds which shall be available for distribution after the purchase of the Retirement Benefits described in (a), (b) and (c) above shall be applied to purchase Retirement Benefits, at the date of such discontinuance, for Employees eligible on that date for early retirement hereunder in amounts to which said Employees shall be entitled under this Plan to the extent that sufficient funds therefor shall be available.
- (e) Any funds which shall be available for distribution after the purchase of the Retirement Benefits described in (a), (b), (c) and (d) above shall be

applied to purchase Retirement Benefits, at the date of such discontinuance, for Employees who would have met the requirements for vesting had they terminated employment on the date of discontinuance and former Employees not included in (a), (b), (c) and (d) above but who retain a vested interest in this Plan to the extent that sufficient funds therefor shall be available.

(f) Any funds which shall be available for distribution after the purchase of the Retirement Benefits described in (a), (b), (c), (d) and (e) above shall be applied to purchase Retirement Benefits, at the date of such discontinuance, for all other Employees in amounts to which said Employees shall be entitled under this Plan to the extent that sufficient funds therefor shall be available.

3. Said available funds shall be used to completely purchase the Retirement Benefits in any one class, as described above, before being used for subsequent classes. In the event the funds available for a class are insufficient to completely purchase the Retirement Benefits for such class, they shall be applied pro-rata within the class to purchase such benefits to the extent that such funds are sufficient.

4. Any funds paid by the Employer to a Funding Agent which shall be available for distribution after the purchase in full of all the Retirement Benefits

described in 2. above shall be deemed to have become available as a result of actuarial error and shall be paid in cash to the Employer.

ARTICLE XV  
Miscellaneous

1. Inclusion in this Plan shall not be construed as giving the Employee any right to be retained in the service of the Employer without its consent, nor shall it interfere with the right of the Employer to discharge the Employee, nor shall it give the Employee any right, claim or interest in any Retirement Benefits herein described except upon fulfillment of the provisions and requirements of this Plan.
  
2. Effective January 1, 1999, under certain circumstances Retirement Benefit payments may be paid to a Retired Employee or the person designated by him or her to receive payments upon his or her death, if applicable, in a lump sum where such monthly benefit would be less than One Hundred Dollars (\$100), such lump sum payment to be the Actuarial Equivalent of such monthly Retirement Benefit.  
  

**“Effective January 1, 2006, the foregoing provision shall not apply here such lump sum payment (the Actuarial Equivalent of the monthly Retirement Benefit) is One Thousand Dollars (\$1,000) or less.”**
  
3. No person entitled to benefits under this Plan shall have the right to assign, commute or encumber the benefits herein provided. To the maximum extent permitted by law, the benefits or payments herein provided shall not in any way be liable to attachment, garnishment or other process, or to be seized, taken, appropriated or applied by any legal



or equitable process, to pay any debt or liability of such person; provided, however, that the Administrator shall be authorized to comply with the terms of a qualified domestic relations order within the meaning of Section 414(p) of the Code.

- 4. Effective January 18, 2006, Notwithstanding any provisions of this Plan to the contrary, all provisions of this Plan, including but not limited to contributions, benefits, and service with regard to qualified military service, will be provided in accordance with applicable provisions of Section 414(u) of the Code and related guidance, including Part 1002 of Chapter IX of Title 20 of the Code of Federal Regulations or its successor.**

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 1999 at Windsor, Connecticut.

Attest: TOWN OF WINDSOR, CONNECTICUT

By \_\_\_\_\_

Mayor

By \_\_\_\_\_

Town Manager

Attest:  
OF WINDSOR

BOARD OF EDUCATION OF THE TOWN

By \_\_\_\_\_

Superintendent of Schools

By \_\_\_\_\_

President, Board of Education