

**KENT COUNTY EMPLOYEES' RETIREMENT PLAN AND TRUST**  
**(January 1, 2016 Restatement)**

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**KENT COUNTY EMPLOYEES' RETIREMENT PLAN**  
**(January 1, 2016 Restatement)**

This amended and restated Pension Plan has been adopted by Kent County (the "County"), a political subdivision of the State of Michigan.

**ARTICLE I**  
**ADOPTION**

1.01 Retirement Plan Created. The County adopted the Kent County Employees' Retirement Plan (the "Plan"), effective as of December 8, 1948, to provide retirement benefits for Eligible Employees. The Plan has been amended from time to time and is being amended and restated in its entirety in this document, effective January 1, 2016.

1.02 Application of Plan Provisions. The provisions of this Plan will apply only to persons who are employed by the County on or after January 1, 2016. The rights and benefits, if any, of former employees will be determined by the provisions of the Plan as in effect on the date their employment terminated.

**ARTICLE II**  
**DEFINITIONS**

2.01 Definitions. The following words or phrases, when used in this Plan will have the following meanings, unless a different meaning is plainly required by the context:

(a) Accrued Benefit: The portion of the normal retirement benefit earned as of the date of the computation. It is a monthly benefit commencing at the Participant's Normal Retirement Age and computed in accordance with the normal retirement benefit formula described in Section 6.02 using the Participant's Final Average Salary and Credited Service at the time of the computation.

(b) Accumulated Contributions: The total of all amounts deducted from the compensation of a Participant and credited to the Participant's individual account, together with investment credits thereon.

(c) Actuarial Equivalence: Equivalence in the present value of various forms of payment. Present values will be determined by the actuaries based on mortality tables and interest rates established from time to time by the Board of Trustees. No change in mortality or interest assumptions will reduce the Accrued Benefit of any Participant.

(d) Annuity Starting Date: The first day of the first period for which an amount is to be paid as an annuity or other form under Article XI. It is the first day as of which an amount is to be paid, not the actual date of payment.

(e) Beneficiary: The Beneficiary designated by the Participant on a form provided by the Board of Trustees. Except as otherwise provided in the Plan, the Participant may change the Beneficiary designation at any time by completing a new form and delivering it to the Board of Trustees.

The Board of Trustees shall determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and shall not have responsibility for the application of sums paid to that trustee or for the discharge of the trust.

The rules of this paragraph apply to the payment of benefits to a Beneficiary of a Participant who elected a Ten Year Certain and Life Annuity and the payment of a Participant's Accumulated Contributions unless provided otherwise in the Participant's Beneficiary designation form. If the Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits shall be payable to the secondary Beneficiary. If the Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits shall be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If the Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary shall be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant. If a Participant designates the Participant's Spouse as Beneficiary and the Participant and Spouse are subsequently divorced, the judgment of divorce shall be considered to revoke the prior Beneficiary designation of the Spouse unless otherwise provided in an Eligible Domestic Relations Order.

If the Participant fails to designate a Beneficiary, if no primary or secondary designated Beneficiary survives the Participant or all primary and secondary designated Beneficiaries waive their right to all survivor benefits, distribution shall be made in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

- (1) The Participant's Spouse; and
- (2) The Participant's estate.

(f) Board of Trustees: The legal entity or individuals appointed by the County or elected by the Participants to administer the Plan and Trust.

(g) Code: The Internal Revenue Code of 1986, as amended from time to time.

(h) Commissioners: The Board of Commissioners of Kent County, Michigan.

(i) Compensation: The wages or base salary paid to an Employee by the County, including earned shift differential, overtime, management pay plan pay-for-performance amounts and holiday pay for personal services rendered during the Plan Year, adjusted by:

- (1) Adding the following:

(A) Amounts paid to Participants under the County-sponsored sickness and accident insurance policies or plans and supplements thereto for which the Participant elected to pay the contributions described in Section 12.01(a); and

(B) The amount of any elective contributions made for a Participant for the Plan Year to any plan maintained by the County pursuant to Code Section 125, 132(f) or 457 for the Plan Year, and any Deemed Section 125 Compensation; and

(2) Subtracting the following:

(A) Amounts paid before an Employee becomes a Participant;

(B) Effective as of January 1, 2010, fees for the transcripts prepared by members of the POLC-Court Reporters, reimbursements for clothing allowance or mileage allowance, car allowance, longevity pay, payments for unused sick leave or vacation, retirement bonus for unused sick leave, additional compensation paid as a consequence of waiving health insurance, retirement incentive bonus, credits for participating in the County's wellness program, overtime pay paid to a member of the POLC – Captains/Lieutenants that exceeds 10% of the member's base salary for the year, and the value of any other fringe benefits.

(C) Amounts paid by the State of Michigan or Kent County for judges and other Participants working in the Kent County Circuit Court, District Court, and Kent County Probate Court that is considered for purposes of determining retirement plan benefits under a plan sponsored by the State of Michigan.

(D) For Plan Years beginning after December 31, 1993, and prior to January 1, 2003, compensation in excess of \$150,000 per year, as adjusted under the provisions of Code Sections 401(a)(17) and 415(d) and for Plan Years beginning after December 31, 2002, amounts in excess of \$200,000, as adjusted under Code Section 401(a)(17). If a Participant first became a Participant in the Plan prior to 1995, the limitations of the preceding sentences will not reduce that Participant's compensation below the amount allowed to be taken into account under the terms of the Plan in effect on July 1, 1993.

(E) Severance Pay.

(j) County: Kent County, Michigan.

(k) Credited Service: The period of a Participant's employment with the County determined in accordance with Section 5.01 and used to determine eligibility for benefits under the Plan and the amount of benefits payable to or on behalf of the Participant.

(l) Custodian: The person or entity appointed by the Board of Trustees to hold plan assets in safekeeping and to receive contributions and to make benefit payments and other disbursements.

(m) Deemed Section 125 Compensation: A Participant's pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(1) The Participant is required to make pre-tax contributions towards the cost of health coverage made available by the County;

(2) The Participant is permitted to waive health coverage made available by the County only if the Participant certifies that the Participant has other health coverage;

(3) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by the County;

(4) The County does not request or collect information regarding the Participant's other health coverage during the health plan's enrollment process.

(n) Differential Wage Payment: Means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

(o) Disability: A physical or mental condition that, as the result of personal injury or disease and in the judgment of the Board of Trustees, permanently prevents a Participant from satisfactorily performing the Participant's usual duties as an Employee in the position held by the Participant. A Participant will not be considered disabled for purposes of this Plan if the condition consists of or results from use by the Participant of alcohol, narcotics, or other controlled substances, or from a felonious enterprise in which the Participant was engaged.

(p) Earliest Retirement Age: Means the earliest age at which the Participant could have a Severance from Employment and elect to receive an immediate retirement benefit under the terms of the Plan. Only the Participant's actual months and years of Credited Service at the time of the Participant's death or Severance from Employment are taken into account in determining the Participant's Earliest Retirement Age.

(q) Eligible Employee: An Employee included in a classification described in Section 4.01(a) and not described as excluded in Subsection 4.01(b).

(r) Employee: Means any person regularly employed by the County during the Plan Year as a common-law Employee. However, the term "Employee" includes any person receiving a Differential Wage Payment.

Employee also means any Leased Employee of the County. However, a Leased Employee shall not be considered an Employee of the County if:

(1) The Leased Employee is covered by a money purchase pension plan providing:

(A) A nonintegrated employer contribution equal to at least 10% of the Leased Employee's Section 415 Compensation;

(B) Immediate participation; and

(C) Full and immediate vesting; and

(2) Leased Employees do not make up more than 20% of the County's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

(s) Final Average Salary:

(1) For Participants employed 1,800 or more hours per year, Final Average Salary means the monthly average of the compensation paid to a Participant during the period of 36 consecutive months of Credited Service producing the highest monthly average, which period is contained within the period of 60 consecutive months of Credited Service immediately preceding the Participant's cessation of Participant contributions. If a Participant has less than 36 consecutive months of Credited Service within that 60-month period, "Final Average Salary" means the monthly average of compensation paid to the Participant during the Participant's last 36 or fewer months of Credited Service. For this purpose, the 60 consecutive month and 36 consecutive periods are the most recent 60 and 36 month periods that are not separated by one or more months in which the Participant does not have 80 or more Hours of Service.

(2) For Participants employed less than 1,800 hours per year, Final Average Salary means 150 multiplied by the following:

(A) If the Participant has 36 or more months of Credited Service, a fraction, the numerator of which will be the highest total compensation received by the Participant for a period of 36 consecutive months of Credited Service contained within the 60 consecutive months of Credited Service immediately preceding the Participant's cessation of Participant contributions, and the denominator of which will be the number of hours worked in the same 36 consecutive month period.

(B) If the Participant has less than 36 consecutive months of Credited Service within the 60 consecutive months of Credited Service immediately preceding the Participant's cessation of Participant contributions, a fraction, the numerator of which will be the total compensation received during the longest consecutive month period of service during the 60 consecutive months immediately preceding the Participant's cessation of Participant contributions. The denominator of the fraction will be the total number of hours worked during the

Participant's longest consecutive month period of Credited Service within the 60 consecutive months immediately preceding the Participant's cessation of Participant contributions.

(3) In the case of a Participant accruing service under Section 5.05, the 60 consecutive month period used for determining the 36 consecutive months producing the highest average compensation will be the 60 consecutive month period ending on the date the workers compensation leave commences, except that if the Participant is a member of the Kent County Deputy Sheriffs Association - Corrections Unit, the 60 consecutive months of compensation for Final Average Salary includes:

(A) Up to 12 months of compensation imputed at the Participant's base wage for periods during which the Participant receives County-paid supplemental workers compensation benefits and the Participant pays the required Participant contribution on the amount of the supplement; and

(B) Up to 12 months of compensation imputed at the Participant's base wage for periods during which the Participant receives supplemental payments from the Participant's vacation, sick and other time banks and the Participant pays the required Participant contribution on the amount of the supplement.

The maximum amount of time in which wages will be imputed to base wage under Parts (A) and (B) above is 24 months.

(4) For purposes of determining Final Average Salary for members of the KCDSA – Corrections Unit, a maximum of 750 hours of overtime worked on and after January 1, 2010 will be included in determining the 36-consecutive months producing the highest average compensation. The 750 hour maximum will be prorated if the 36-consecutive months producing the highest average compensation includes months prior to 2010. There is no limit on overtime pay for hours worked prior to 2010.

(5) For purposes of determining Final Average Salary for members of POAM on and after July 1, 2011, the monthly average of overtime pay paid to the Participant in the 10-year period prior to normal retirement will be added to the Final Average Salary determined under subsection (1) above.

(t) Hours of Service: An Employee will be credited with an hour of service for each hour for which the Employee is paid or entitled to payment for the performance of services for the County. Hour of service also include hours for which the Employee is paid but performs no services for the County. These hours include vacation time and other paid approved leaves of absence, but exclude periods attributable to payments for or conversions of accumulated sick, holiday or vacation leave banks at termination of employment and periods during which a Participant is receiving benefits under the long

term disability program provided by the County. Except for the first six (6) months of an Employee's employment, service purchased under Section 5.03 and service credited under Sections 5.05 and 10.06, only hours with respect to which the Employee makes the contributions required by Section 12.01(a) will be considered for purposes of determining months and years of Credited Service in this Plan.

(u) MCL: Michigan Compiled Laws.

(v) Normal Retirement Age:

(1) General Rule: Normal Retirement Age means attainment of age 60.

(2) Special Rule – Certain Employees Hired On and After January 1 2011: For Employees in the following Participant groups who are initially hired on and after January 1, 2011 (January 1, 2012 with respect to Teamsters – Public Health Nurses, Teamsters – Parks Department and Circuit Court Referees Association and January 1, 2013 for the KCDSA – (All Units)), Normal Retirement Age means age 62:

(A) Management Pay Plan;

(B) Commissioners and Elected Officials

(C) UAW – General and Courts;

(D) POLC – Circuit Court Reporters;

(E) Teamsters – Public Health Nurses;

(F) Teamsters – Parks Department;

(G) Kent County Assistant Prosecuting Attorneys' Association;

(H) KCDSA – (All Units);

(I) Circuit Court Referees Association; and

(J) POLC – Captains & Lieutenants.

(w) Participant: An Employee participating in the Plan in accordance with the provisions of Section 4.01(a) or a former Employee who is entitled to deferred vested benefits from the Plan.

(x) Period of Qualified Military Service: Means the period of time an Employee is absent from employment because of the Employee's performance of Qualified Military Service.

(y) Plan: The Kent County Employees' Retirement Plan.

(z) Plan Year: The 12 consecutive month period ending December 31.

(aa) Qualified Military Service: Means Qualified Military Service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service only if the individual is entitled to reemployment rights under USERRA.

(bb) Regular Interest: The rate or rates per annum, compounded annually, as the Board of Trustees adopts from time to time and that are used to compute the full amount of a Participant's benefit in the event of a refund of a Participant's Accumulated Contributions.

(cc) Related Employer: Means any other entity under common control with the County and under Section 414(b) and (c) of the Code. An entity shall be a Related Employer with the County only with regard to a time period in which the requirements of this Section are satisfied.

(dd) Retiree: A person receiving a benefit from the Plan by reason of having been a Participant.

(ee) Severance from Employment: Means that the Employee's employment relationship with the County and all Related Employers has terminated.

(ff) Spouse. Means the person to whom a Participant is legally married on his Annuity Starting Date or, if earlier, the date of his death. The determination of whether a person is a Spouse will be made under the rules in Revenue Ruling 2013-17. These rules generally provide that a Spouse is anyone who marries the Participant in a state or other jurisdiction that recognizes the marriage (same-sex or opposite-sex), regardless of the state of residence.

A former spouse shall be treated as a Spouse to the extent provided under an Eligible Domestic Relations Order.

This definition is generally effective September 16, 2013, but applies during any portion of the period from June 26, 2013 to September 16, 2013 in which the Participant lived in a state or other jurisdiction that then recognized same-sex marriage. The prior definition applied before that date.

(gg) USERRA: Means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, including any applicable regulations.

2.02 Construction. Plural pronouns are used throughout the Plan for purposes of simplicity and will be interpreted to include the singular.

**ARTICLE III**  
**BOARD OF TRUSTEES**

3.01 Appointment and Election. The general administration and responsibility for the proper operation of the Plan and for making effective the provisions of this Plan are vested in a Board of Trustees of seven (7) persons, as follows:

(a) Three (3) persons elected by the Employees participating in the Plan. These trustees are called "Participant trustees" in this Plan document. The Participant trustees will be elected in accordance with the rules and regulations adopted by the Board of Trustees to govern such elections.

(b) The Chairman of the Finance Committee of the Commissioners or designee of the Chairman of the Finance Committee, if permitted under the standing rules of the Commissioners, and one (1) other Commissioner appointed by the Commissioners to serve at the pleasure of the Commissioners. These trustees are called "County trustees" in this Plan document.

(c) Two (2) citizens of the County experienced in financial matters to be appointed by the Commissioners; provided, that these trustees may not be Participants or Retirees or Beneficiaries of the Plan, nor Employees or officials of the County. These trustees are called "citizen trustees" in this Plan document.

3.02 Trustee's Terms. The term of office of each Participant trustee will be three (3) years. The term of office of each citizen trustee will be three (3) years. Each trustee will continue to serve as trustee until a successor is elected or appointed and has qualified.

3.03 Board Vacancy - How Filled. If any trustee fails to attend three (3) consecutive meetings of the Board of Trustees, unless in each case the absence is excused for cause by the remaining trustees attending the meeting or meetings, the trustee will be considered to have resigned and the Board of Trustees will, by resolution, declare the office of that trustee vacated. If a vacancy occurs in the office of trustee, the vacancy will be filled for the unexpired portion of the term so vacated in the same manner as the office was previously filled. This section will not apply to trustees who serve as trustees by virtue of elected office.

3.04 Officers and Employees of Plan.

(a) The Board of Trustees will select from its own number a chairman and a vice-chairman.

(b) Citizen trustees will be paid a fee for each meeting as determined by the Commissioners from time to time, but will not be paid for more than two (2) meetings on the same day. They will also be reimbursed for mileage to and from any meeting at a rate set by the Commissioners within the Standing Rules of the Commissioners. Citizen trustees will not be paid for more than 30 meetings in a calendar year. Other expenses may likewise be paid upon approval of the Board of Trustees.

(c) The County Administrator/Controller or designee of the Administrator/Controller, as permitted under the standing rules of the Commissioners, will be the Secretary of the Board of Trustees and will perform, or cause to be performed, the duties required of the Secretary under this Plan and as the Board of Trustees may from time to time require.

(d) An actuary or a firm of actuaries will be the technical advisor to the Board of Trustees on matters regarding the operation of the Plan on an actuarial basis. The actuary will perform the duties required of the actuary under this Plan and by the Board of Trustees, consistent with MCL Section 38.1140m.

(e) The legal advisor to the Board of Trustees on matters regarding the operation of the Plan will be the general civil counsel of the County or the attorney or law firm designated by the County Administrator/Controller to provide legal services in connection with the Plan.

(f) The Board of Trustees will secure professional investment counsel.

(g) The Secretary will have the authority to employ other professional services, and to purchase such equipment and supplies as are required for the proper operation of the Plan, subject to the approval of the Board of Trustees. All other expenses of the Board of Trustees necessary for the operation of the Plan, including reimbursements to the County for administrative services provided by County Employees for the operation of the Plan, will be paid at the rates and amounts that the Board of Trustees approves.

(h) The County will appoint a Pension Administrator and staff who will jointly serve the County and the Board of Trustees. The Pension Administrator will be responsible for the day-to-day administration of the Plan, including keeping records of service, enrolling Employees, monitoring Participant and employer contributions, receiving and processing applications for retirement benefits and refund of Accumulated Contributions, responding to initial claims for benefits, keeping records of plan assets and liabilities providing reports to the Board of Trustees and the County, maintaining compliance of Plan documents and operations with all applicable laws, preparing and distributing reports to Participants, Retirees, and Beneficiaries, overseeing elections of Participant trustees, and such other duties as the Board of Trustees and the County determine from time-to-time.

3.05 Board Meetings. The Board of Trustees will hold regular meetings at least quarterly. Four (4) trustees will constitute a quorum at any meeting of the Board of Trustees. Each trustee is entitled to one (1) vote on each question before the Board of Trustees and at least four (4) concurring votes will be required for a decision by the Board of Trustees at any meeting. The Board of Trustees will adopt its own rules of procedure and keep a record of its proceedings. All rules and decisions of the Board of Trustees will be consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Board of Trustees may rely upon information furnished by a Participant, Retiree, or Beneficiary, the County through its authorized agents, the actuary employed by the Board of Trustees, the legal advisor to the Board

of Trustees, the Custodian and the investment manager. All meetings of the Board of Trustees will be public. The decisions of the Board of Trustees (including decisions as to Plan participation status of any person and any claim for disability or the maximum disability benefit to be paid at any time) will be final.

3.06 Administrative Duties.

(a) The Board of Trustees will from time to time adopt mortality and other tables of experience and a rate or rates of Regular Interest that are necessary for the actuarial requirements of the Plan.

(b) The Secretary will keep, or cause to be kept, in convenient form, the data necessary for actuarial investigations of the experiences of the Plan and the data necessary for the annual actuarial valuation of the Plan.

(c) The Board of Trustees will annually, but not later than September 1 of each year, render a report to the County through the County Finance Committee showing the financial condition of the Plan as of the preceding December 31. This report will contain a financial balance sheet, a statement of income and disbursements, a detailed statement of investments acquired and disposed of during the year, an actuarial balance sheet prepared by means of the last valuation of the Plan, and such other data that the Board of Trustees deems necessary or desirable for a proper understanding of the condition of the Plan.

(d) All records of the Plan will be kept and maintained in the place that the Board of Trustees designates, in writing.

3.07 Claims Procedure. Except as provided in Article X, the Pension Administrator will make all initial determinations concerning benefits. Any denial of benefits by the Pension Administrator will be stated in writing by the Pension Administrator and delivered or mailed to the claimant within 60 days after the denial. The notice will explain the reasons for the denial in language that may be understood by the claimant and will specify the Plan provisions upon which the denial was based. If the denial is based on the failure of the claimant to supply certain materials or information, the notice will so state. The notice will advise that the denial may be appealed to the Board of Trustees and will include an explanation of the appeal procedures.

The appeal procedure will be as follows:

(a) If claimants are not satisfied with a decision on an initial claim for disability benefits by the Board of Trustees or a decision on other claims by the Pension Administrator, they must exhaust their administrative remedies under this Plan by filing a written notice of appeal with the Board of Trustees not later than 60 days after receipt of the notice of denial;

(b) Claimants or their duly authorized representatives may review any documents that are pertinent to the appeal. Claimants or their duly authorized representatives must file with the Board of Trustees in writing all materials to be reviewed in the appeal process and all arguments relevant to the appeal. All materials

and arguments must be filed with the notice of appeal or within 30 days after filing the notice of appeal;

(c) The Board of Trustees will render its decision on the appeal after the next regularly scheduled Board of Trustees meeting that is at least 21 days after the completed application for review is received. The Board of Trustees will return its decision on the appeal as soon as possible, but not later than 60 days after its review. If an extension of time for review is required because of special circumstances, the Board of Trustees will notify the claimant of the need for additional information and delay its decision until the next regularly scheduled Board of Trustees meeting. All appeal materials must be submitted in writing; and

(d) The Board of Trustees will advise the claimant in writing of the decision on the appeal with an explanation of the reasons for the decision in language that may be understood by the claimant with references to the plan provisions upon which the decision is based by certified mail, return receipt requested.

3.08 Authorization of Benefit Payments. The Pension Administrator will issue directions to the Custodian concerning all benefits that are to be paid from the Trust pursuant to the provisions of the Plan.

3.09 Application and Forms for Benefits. The Board of Trustees may require a Participant or the Participant's duly authorized representative to complete and file an application for a benefit and all other forms approved by the Board of Trustees and to furnish all pertinent information requested by the Board of Trustees. The Board of Trustees may rely upon all such information including the Participant's current mailing address.

3.10 Facility of Payment. Whenever, in the Board of Trustee's opinion, a Participant, Retiree, or Beneficiary entitled to receive any benefit is under a legal disability or is incapacitated in any way so as to be unable to manage financial affairs, the Board of Trustees may direct the Custodian to make payments to the Participant, Retiree, or Beneficiary or to the Participant's, Retiree's or Beneficiary's legal representative, or to a relative or friend of the Participant, Retiree, or Beneficiary for the benefit of the Participant, Retiree, or Beneficiary, or the Board of Trustees may direct the Custodian to apply the payment for the benefit of the Participant, Retiree, or Beneficiary in the manner that the Board of Trustees considers advisable. Any payment of a benefit in accordance with the provisions of this Section will discharge all liability for such benefit under the provisions of this Plan.

#### **ARTICLE IV**

#### **MEMBERSHIP OF RETIREMENT PLAN**

4.01 Eligibility.

(a) Any Eligible Employee who is not a Participant will become a Participant in the Plan on the first day of the month after completing six (6) months of employment as an Eligible Employee. Eligible Employees are:

(1) Those covered by a collective bargaining agreement providing for participation in the Plan;

(2) Those covered by the Management Pay Plan;

(3) Judges;

(4) Cadets in the Sheriff's Department and Security Enforcement Officers hired before July 1, 2006;

(5) Commissioners and Elected Officials; and

(6) Parks Department Employees who waived participation in the Kent County Parks Department Retirement Savings Plan during the period beginning January 1, 2003 and ending February 14, 2003.

(b) The following are not eligible to participate in the Plan:

(1) Persons employed in positions normally requiring fewer than 500 Hours of Service per year;

(2) Persons who perform services for the County pursuant to an agreement between the County and another person or entity, such as an employment agency or employee leasing organization;

(3) Persons who perform services for the County pursuant to a written agreement with the County that does not provide for participation in the Plan;

(4) Employees who participate as active Participants in the Kent County Parks Department Retirement Savings Plan or in any other retirement plan similar in purpose to this Plan by reason of the Employees' employment with the County, except the federal Social Security old age, survivors, and disability insurance program, as amended, and any plan or plans established by the State of Michigan for judges and court employees;

(5) Any person paid wholly on a fee basis;

(6) Any person who first becomes a judge after March 30, 1997;

(7) A judge who makes the election under MCL Section 38.2651b(1)(a) to have 100% of the judge's salary paid both directly and indirectly by the State of Michigan considered as salary for the Tier 2 benefit under the Judges Retirement Act of 1992 (MCL Section 38.2101 et seq.);

(8) A judge who makes the election under MCL Section 38.2504a to convert the balance of the difference between the State base salary and the maximum statutory salary established by the Revised Judicature Act of 1961 that is not already converted under MCL Section 38.2504;

(9) Employees in the Parks Department who are represented by Teamsters Local 214 and Employees in the Parks Department who are not represented by a union and who were on the payroll of the Kent County Road Commission prior to the transfer of the Parks Department to Kent County except those Parks Department Employees who elected to participate in this Plan during the period beginning January 1, 2003 and ending February 14, 2003;

(10) Employees classified as medical examiners;

(11) Members of the Board of Commissioners of the Kent County Road Commission; and

(12) Employees of the Kent District Library, Employees of Kent Community Hospital, and Employees of the Kent CMH Authority.

(c) No Employee will be a Participant in the Plan unless the Employee makes the contributions described in Section 12.01(a).

(d) The elected County officials who serve at the pleasure of the electorate have the option of becoming Participants in this Plan. If the elected official was a Participant in the Plan prior to being elected, the elected official may, within six (6) months of the initial election or appointment to an elective County office, elect to terminate participation in the Plan subject to Section 4.03(b)(2).

4.02 Transfer Out of Eligible Class or Severance from Employment. If a Participant is no longer employed by the County as an Eligible Employee in a position covered by the Plan or the Participant has a Severance from Employment prior to the Participant's normal or early retirement date, contributions by the Participant to the Plan will cease and the Participant will be eligible for benefits under Section 9.01 and 9.06 only.

4.03 Rights Upon Reemployment After Participation Terminates.

(a) Participation Upon Reemployment. A former Participant who is not a Retiree under the Plan who becomes reemployed by the County in a position covered by the Plan will become a Participant again as of the date of reemployment and resumption of Participant contributions. If a Retiree is reemployed by the County, the Retiree will not resume participation in the Plan and benefits may be suspended in accordance with Section 14.07.

(b) Service Upon Reemployment.

(1) When a Participant is no longer employed by the County in a position covered by the Plan, the Participant's Credited Service will be forfeited, except as otherwise provided in this Plan. At the time of reemployment, a Participant will be credited with prior Credited Service only if the Participant returns to the Plan the entire amount of Accumulated Contributions the Participant withdrew, plus an appropriate contribution for the first six (6) months of original employment, together with interest at the rate established annually by

the Board of Trustees from the date of withdrawal to the date of repayment. If Participant contributions begin immediately upon reemployment, no additional contribution for the first six (6) months of reemployment will be required.

(2) A Participant who becomes an elected official may choose to cease participation in the Plan and, except as otherwise provided in the Plan, the Participant's Credited Service will be forfeited if the official withdraws his or her Accumulated Contributions. An elected official who elected to terminate participation pursuant to Subsection 4.01(d) of the Plan may make one (1) election to resume participation in the Plan. At the time the elected official elects to resume participation in the Plan, Credited Service earned prior to the elected official's termination of participation that was forfeited will be restored if the elected official returns to the Plan the amount of Accumulated Contributions withdrawn by the elected official, together with interest at the rate established annually by the Board of Trustees from the date of withdrawal to the date of repayment. An elected official who resumes participation in the Plan will not receive any Credited Service for the Hours of Service performed after termination of participation and prior to resumption of participation.

(3) Credited Service earned prior to April 1, 2003 by an Employee who was employed by Kent County on March 31, 2003, who became employed by Kent County CMH Authority on April 1, 2003, and who again becomes employed by Kent County, will not be reinstated nor will it be purchasable or creditable for any purpose of this Plan.

## **ARTICLE V**

### **SERVICE CREDIT**

#### **5.01 Credited Service.**

(a) Eligibility for benefits under the Plan and the amount of the benefit payable to or on behalf of a Participant will be determined by the Participant's months and years of Credited Service. A Participant who is employed in a position normally requiring 1,800 or more Hours of Service during a Plan Year will receive one (1) month of service for each calendar month in which the Participant is employed for at least 80 Hours of Service. A Participant who is employed in a position that normally requires less than 1,800 Hours of Service, but more than 500 Hours of Service per year, will be credited with a partial year of service, including partial months, based on a fraction:

the numerator of which will be the number of Hours of Service worked during the year and the denominator of which will be 1,800.

No Participant will receive more than one (1) year of Credited Service for employment rendered during any one (1) calendar year.

A Participant will receive credit for months of service during which the Participant was receiving County-sponsored sickness and accident benefit payments only

if the Employee pays the contributions required under Section 12.01(a) on 100% of the Employee's gross weekly wage for the entire period during which sickness and accident benefits are paid.

(b) Participants will not be credited with service for periods of employment during which they do not qualify as Eligible Employees.

(c) Except for the first six (6) months of employment required for participation, service purchased under Section 5.03 and service credited under Section 5.05, no Employee will receive Credited Service for any period of employment for which the Employee fails to make the contributions required by Section 12.01(a).

(d) Effective January 1, 2010, Participants who are not classified as Judges, Security Enforcement Officers, or Commissioners will have their accumulated sick pay bank converted into additional months or years of Credited Service at the time of normal, early, and disability retirement. The number of whole and partial months will be added to the Credited Service calculation determined in part (a) above. The sick pay bank hours will be converted at the rate of one (1) month of Credited Service for every 173 hours in the sick pay bank, but for Participants who are members of the POLC Circuit Court Reporters, POAM Road Patrol or UAW - Courts bargaining units, the converted amount of sick pay bank hours may not exceed 1,440 hours. The additional Credited Service determined under this subsection will be used solely for the purpose of determining the amount of the normal retirement benefit and will not be used for purposes of determining whether the 25 year period of Section 6.01, the fifteen year period of Section 7.01, the fifteen or five year period of Sections 8.01 and 8.02, the minimum number of years of service for deferred retirement in Section 9.01 or any other period relevant to the Plan have been satisfied.

(e) Employees who are members of the Kent County Deputy Sheriffs' Association (corrections officers and registered nurses) who retire after December 31, 1997 and after attaining age 60 and completing five (5) or more years of Credited Service or after completing 25 or more years of Credited Service will have their holiday credit bank hours converted to additional whole and partial months of Credited Service at the rate of one additional month of Credited Service for every 173 hours of unused holiday credit bank time. The total Credited Service and the normal retirement benefit will be calculated and the application of the additional Credited Service will be limited in the same manner as described in subsection 5.01(d).

(f) Parks Department Employees who were members of Teamsters Local 214 and who made the election to participate in this Plan in the election period from January 1, 2003 through February 14, 2003 will receive Credited Service for purposes of vesting under Section 9.01 and for purposes of calculating the amount of normal retirement benefit under Section 6.02 for their service after December 31, 2002 and receive credit for their prior service from their date of full-time employment with Kent County Road Commission for purposes of determining satisfaction of the normal retirement eligibility requirement of Subsection 6.01, for purposes of the 15 years of

Credited Service requirement of Subsections 7.01 and 8.01 and for purposes of the 5 years of service requirement of Section 8.02.

(g) Parks Department Employees who were in the Management Pay Plan immediately after transfer from the Kent County Road Commission and who made the election to participate in this Plan in the election period from January 1, 2003 through February 14, 2003 will receive Credited Service as follows:

(1) In the case of Employees who elected to retain the sick pay and Retiree health insurance benefits accrued for prior service with the Kent County Road Commission, service only from January 1, 2003 for all Plan purposes; or

(2) In the case of Employees who elected to waive the sick pay and Retiree health insurance benefits accrued for prior service with the Kent County Road Commission, service from January 1, 2003 for purposes of determining the amount of retirement benefits in Section 6.02 and from their original date of fulltime hire by the Kent County Road Commission for purposes of determining satisfaction of the following:

(A) The five (5) years of Credited Service requirement of Sections 6.01 and Section 8.01;

(B) The ten (10) years of Credited Service requirement of Section 10.01;

(C) The fifteen (15) years of Credited Service requirement of Sections 7.01 and 8.02; and

(D) The vesting requirement of Section 9.01.

5.02 Credit for Qualified Military Service. If a Participant returns from Qualified Military Service, the Participant will be credited with the Hours of Service the Participant would have received each week if the Participant had remained in the employ of the County during the Period of Qualified Military Service for purposes of determining Credited Service. An absence due to Qualified Military Service will be considered an authorized leave of absence provided that the Participant returns to the Plan the amount of Accumulated Contributions, if any, the Participant may have withdrawn during the Period of Qualified Military Service, together with Regular Interest from the date of withdrawal to the date of repayment.

In no case will any Participant be credited with a total of more than six (6) years of Qualified Military Service credit or the maximum amount required by federal law, if greater. In case of any doubt as to the period of such Qualified Military Service to be credited to a Participant, the Board of Trustees will have final discretion to determine such period. For Qualified Military Service credit, the Participant must contribute to the Plan the amount of Participant contributions the Participant would have contributed if the Participant remained in the employ of the County during the Period of Qualified Military Service and any balance remaining to the Participant's credit in the Plan will be accumulated at Regular Interest.

For purposes of determining Compensation, Participants will be deemed to have been paid the compensation they would have received if they had remained in the employ of the County during the Period of Qualified Military Service. If the amount that they would have been paid during the Period of Qualified Military Service cannot be determined with reasonable certainty, it will be assumed that they would have been paid during each month of Qualified Military Service the average amount they were paid each month during the 12 month period immediately preceding the leave of absence.

5.03 Purchase of Prior Military Service. A Participant who is an Employee and who entered Qualified Military Service before June 1, 1980, or who entered Qualified Military Service after May 31, 1980 during a time of war or emergency condition as defined in MCL Section 35.61, may elect to receive Credited Service for Qualified Military Service, subject to the following conditions:

(a) Service credited under this Section will not be counted in determining a Participant's or Beneficiary's eligibility for benefits, but rather, will be used solely in the calculation of the amount of benefits under the Plan.

(b) Credit for Qualified Military Service cannot be obtained under this Section until a Participant has earned a minimum of 10 years of Credited Service.

(c) Only completed years and months of Qualified Military Service will be credited under this Section up to a maximum of five (5) years. Service credited under this Section, when added to service credited under Section 5.02, may not exceed six (6) years.

(d) Credit for Qualified Military Service provided under this Section will be given upon the payment by a Participant to the Plan of an amount equal to five percent (5%) of the Participant's full-time or equated full-time annual compensation for the calendar year in which payment is made multiplied by the number of years and fractional months and years of Credited Service that the Participant elects to purchase.

(e) Credit for Qualified Military Service provided under this Section will not be given if the military service is, or would be, credited under any other federal, state, or local publicly-supported retirement plan.

5.04 Service Credit Determinations. In the case of any question as to the service credit of any person, the Board of Trustees will have final discretion to decide the question.

5.05 Credit For Service While on Workers Compensation Leave. A Participant whose active employment is suspended as a result of suffering an injury resulting in eligibility for workers compensation benefits will be given credit for service as if the Participant was actively employed for the period that the Participant is unable to work due to the service-related injury until the earlier of:

- (a) death;
- (b) return to active employment;

- (c) redemption of the workers compensation claim;
- (d) attainment of Normal Retirement Age;
- (e) commencement of disability retirement under Article X; or
- (f) commencement of early retirement under Section 7.01.

The maximum number of months and years of Credited Service a Participant may earn while on workers compensation leave and not actively employed will be the greater of five (5) years or the number of years of service credited under this Section 5.05 at December 31, 1994. Credited Service will be granted without regard to whether Participant contributions are made under Section 12.01(a) during the period of workers compensation leave.

5.06 Service for Hospital, Library, and CMH Authority. Persons who were employed by Kent County:

- (a) On September 30, 1993 and who became employed by Kent Community Hospital on October 1, 1993;
- (b) On December 31, 1995 and who became employed by Kent District Library on January 1, 1996; or
- (c) On March 31, 2003 and who became employed by Kent County CMH Authority on April 1, 2003;

forfeited all years and months of Credited Service accumulated under this Plan prior to the date of transfer for purposes of eligibility, calculation of benefit amount, and vesting purposes and such service will not be considered for any purpose under this Plan at any time.

## **ARTICLE VI**

### **NORMAL RETIREMENT BENEFIT**

6.01 Eligibility for Benefit. A Participant will have a fully vested right to a normal retirement benefit if the Participant has a Severance from Employment with the County after the Participant:

- (a) has reached Normal Retirement Age and has completed five (5) or more years of Credited Service; or
- (b) has completed 25 or more years of Credited Service. Except that Participants in the following Participant groups initially hired on and after January 1, 2011 (January 1, 2012 with respect to Teamsters – Public Health Nurses, Teamsters – Parks Department and Circuit Court Referees Association, January 1, 2013 for the KCDSA – (All Units) and January 1, 2015 with respect to the POAM Sheriff Department Road Patrol), must also have attained the age specified below:

<u>Participant Group</u>	<u>Age</u>
Management Pay Plan	60
UAW – General and Courts	60
POLC – Circuit Court Reporters	60
Kent County Assistant Prosecuting Attorneys’ Association	60
POLC – Captains & Lieutenants	55
Circuit Court Referee Association	60
Teamsters – Public Health Nurses	60
Teamsters – Parks Department	60
Gerald R. Ford International Airport Command Officer’s Association	60
KCDSA – (All Units)	55
POAM – Sheriff Department Road Patrol	50

The Participant may elect payment in an optional form described in Section 11.04 at least 30 but not more than 180 days before the benefit commencement date.

6.02 Amount of Normal Retirement Benefit. The normal retirement benefit will be monthly payments for the life of the Participant equal to the product of: (i) the Participant’s months and years of Credited Service; (ii) 2.5%; and (iii) the Participant’s Final Average Salary. The maximum County-financed portion of the benefit cannot exceed 75% of the Participant’s Final Average Salary.

6.03 Effect of Postponed Retirement. A Participant who continues employment beyond Normal Retirement Age will have a fully vested right to a retirement benefit, but will not receive any benefit payments until the first business day of the month after the Participant’s Severance from Employment. When payments begin, the amount of the benefit will be equal to the benefit based on months and years of Credited Service and Final Average Salary at retirement, subject to the 75% limitation of Section 6.02.

6.04 Commencement of Benefit. A normal retirement benefit will be payable to a Participant on the first day of the month after the Participant’s Severance from Employment if the Participant is eligible for, and has applied for, a normal retirement benefit. Benefits will be paid on the first business day of each month until the death of the Participant. After the

Participant's death, additional benefit payments (if any) depend on the form of benefit payment elected by the Participant.

6.05 Form of Payment Used in Determining Amount of Benefit. The amount of a Participant's benefits under this Article is based on payment in the form of a Single Life Annuity. If the Participant receives payment in a different form, the amount of the Participant's benefit shall be the Actuarial Equivalent of a Single Life Annuity.

6.06 Form of Benefit. A normal retirement benefit shall be payable in the form determined under Article XI.

6.07 Post-Retirement Increases.

(a) Beginning with the January 1 that is at least 36 full months after the Participant's Annuity Starting Date, the amount of the retirement benefit will be re-determined effective each January 1 and the re-determined amount will be payable for the ensuing year. The re-determined amount will be the amount determined in paragraphs (1), (2) or (3), below:

(1) For all Retirees, except:

(A) Former members of the POLC-Captains and Lieutenants Association retiring after June 30, 2000;

(B) Former members of the Kent County Deputy Sheriffs Association (KCDSA) retiring after June 30, 2002; and

(C) Former members of the POAM – Sheriff Department Road Patrol retiring after July 1, 2010;

the re-determined amount will be the amount of the retirement benefit payable prior to any post-retirement increases multiplied by the following percentage, subject to the maximum benefit stated in subsection (D) below:

100.0 percent of the retirement benefit payable prior to any postretirement increases; plus 1.0 percent for each full year (excluding any fraction of a year) in the period from 12 months prior to the January 1 that the benefit is first redetermined to the current January 1.

(D) In no event will the re-determined amount be greater than the retirement benefit payable prior to any post-retirement increases multiplied by the following fraction:

the numerator will be the average of the Consumer Price Index for the 12 calendar months ending with the month of June immediately

preceding the re-determination (but in no event an amount less than the denominator below); and

the denominator will be the average of the Consumer Price Index for the 12 calendar months ending with the month of June within the calendar year of the re-determination.

(2) For Retirees who had been members of the KCDSA (All Units) who retire after June 30, 2002, the re-determined amount will be the retirement benefit paid in the month preceding the date of re-determination multiplied by the applicable number set forth in the collective bargaining agreement between the County and the KCDSA.

(3) For Retirees who had been members of the POLC - Captains and Lieutenants Association who retired after June 30, 2000, the re-determined amount will be the retirement benefit in the month preceding the date of re-determination multiplied by the number set forth in the current collective bargaining agreement between the County and the POLC – Captains and Lieutenants Association.

(4) For Retirees who had been members of the POAM – Sheriff Department Road Patrol who retire after July 1, 2010, the re-determined amount will be the retirement benefit in the month preceding the date of re-determination multiplied by the number set forth in the current collective bargaining agreement between the County and the POAM – Sheriff Department Road Patrol.

(5) For Retirees who were:

(A) Classified as Undersheriff, Sheriff or Chief Deputy at the time of their retirement;

(C) Retired after December 31, 2010; and

(D) Transferred to the position of Undersheriff or Chief Deputy or elected or appointed Sheriff or another County official, provided that the Retiree previously was a member of the POLC – Captains & Lieutenants group;

the re-determined amount will be the re-determined amount that would have applied if the Retiree had remained a member of the POLC – Captains and Lieutenants group until his termination of employment.

(b) As used in this Section “Consumer Price Index” means the Consumer Price Index for All Urban Consumers, as determined by the United States Department of Labor and in effect December 31, 1988; but if the Consumer Price Index is restructured subsequent to 1988 in a manner materially changing its character, the County, after receiving the advice of the actuary, will change the application of the Consumer Price Index so that, as far as is practicable, the 1988 intent of the use of the Consumer Price Index will be continued.

(c) The monthly retirement benefit amounts paid as of January 1, 2003 for Participants who retired prior to January 1, 1991 were increased by the percentages described below beginning with the monthly benefit paid August 1, 2003:

<b>Retirement Benefit Commencement Date</b>	<b>Benefit Increases</b>
Prior to January 1, 1975	25%
From January 1, 1975 through December 31, 1979	20%
From January 1, 1980 through December 31, 1984	15%
From January 1, 1985 through December 31, 1990	10%

For adjustments under Subsection 6.07(a)(1) on January 1, 2004 and thereafter, the “amount of the retirement benefit payable prior to any post-retirement increases” will be the adjusted amount effective on August 1, 2003 for Retirees affected by this Subsection 6.07(a).

6.08 Maximum Benefit. The maximum annual County-funded benefit payable to any Participant under the Plan will not exceed \$210,000 or the maximum amount allowable under the adjustment provisions of Code Section 415(d) effective January 1 of each year. If the Participant has less than 10 years of participation in the Plan at the time of the Severance from Employment (other than as a result of death or disability), the maximum amount allowable will be reduced by 10% for each year of participation less than 10, but not below the amount of the Participant’s Accrued Benefit as of the last day of the Plan Year beginning in 1986.

The maximum benefit will be reduced if benefit payments begin before the Participant attains age 62 and the reduction will be calculated so that the maximum benefit payable at actual retirement will be the actuarial equivalent of the maximum benefit payable at age 62. The maximum benefit will be increased if benefit payments commence after the Participant has attained age 65 and the increase will be calculated so that the maximum benefit payable at actual retirement will be the actuarial equivalent of the maximum benefit payable at age 65. These actuarial adjustments will be based on the Section 417(e)(3) Mortality Table and interest at the rate of 5% per annum.

The adjustment described in the preceding paragraph will not apply to the benefit payable from the Plan to qualified police officers and firefighters. A “qualified police officer or firefighter” is a Participant who has earned 15 or more years of Credited Service while serving the County on a full-time basis in the capacity of a firefighter, police officer, or emergency medical service Employee, or as a member of the armed forces of the United States.

The limits under Section 415 of the Code are based upon payment in a Single Life Annuity (i.e., an annuity for the lifetime of the Participant). As a result, these limits must be

adjusted to the Actuarial Equivalent of a Single Life Annuity if payment is made in a different form. The Actuarial Equivalent of a Single Life Annuity for purposes of Section 415 of the Code shall be:

(a) If payment is made in a form to which Section 417(e)(3) of the Code does not apply, the greater of:

(1) The annual amount of the Single Life Annuity payable to the Participant under the Plan commencing on the same Annuity Starting Date as the form of benefit payable to the Participant; or

(2) The annual amount of the Single Life Annuity commencing on the same Annuity Starting Date that is the Actuarial Equivalent of the form of benefit payable to the Participant, computed using a 5% interest assumption and the Section 417(e)(3) Mortality Table for that Annuity Starting Date.

(b) If payment is made in a form to which Section 417(e)(3) of the Code applies, the annual amount of a Single Life Annuity commencing on the Annuity Starting Date that is the Actuarial Equivalent of the benefit payable to the Participant, computed using one of the following combinations of actuarial assumptions that results in the largest Single Life Annuity:

(1) The applicable interest rate and mortality table (or tabular factor) specified in Section 2.01(c) for adjusting benefits in the same form;

(2) A 5.5% interest assumption and the applicable Section 417(e) Mortality Table; or

(3) The applicable Section 417(e)(3) Interest Rate and the applicable Section 417(e)(3) Mortality Table, divided by 1.05.

The determination of whether a form of payment is subject to Section 417(e)(3) of the Code shall be made based upon Treas. Reg. §1.417(e)-1(d)(6). The forms of payment described in that regulation are not subject to Section 417(e)(3) of the Code. A lump sum payment is an example of a payment that is subject to Section 417(e)(3) of the Code.

Benefit increases resulting from the increases in the limitations of Section 415(b) of the Code shall be provided to each Participant who has an Hour of Service after December 31, 2001.

For purposes of this Section, all defined benefit plans maintained by the County and any other members of the controlled group will be considered as a single defined benefit plan.

6.09 Judges Election. A judge who makes the election under MCL Section 38.2651b(1)(a) to have 100% of the judge's salary that is paid both directly and indirectly by the State of Michigan considered as salary for the Tier 2 benefit under the Judges Retirement Act of 1992 (MCL Section 38.2001 et. seq.) or who makes the election under MCL Section 38.2504a to convert the balance of the difference between the State base salary and the maximum statutory salary established by the Revised Judicature Act that is not already converted under MCL

Section 38.2504, will receive no benefit increases under this Plan subsequent to the effective date of the election. The Accrued Benefit of a judge making either of these elections will be determined as if the judge had a Severance from Employment on June 30, 1998 and based on the Final Average Salary (over 60 consecutive months), benefit multiplier (2.25%), and months and years of Credited Service all determined as of the effective date of the election. A judge making either of these elections will continue to earn additional months and years of Credited Service subsequent to the effective date of the election for purposes of satisfying the eight (8) year vesting requirement and the 5 and 15 years requirements for death benefits and early retirement benefits, but not for any other purpose of this Plan. Benefits will be paid to a judge making this election at actual Severance from Employment. Participant contributions deducted from compensation earned subsequent to the effective date of the election will be refunded to the judge in a lump sum at the earlier of Severance from Employment or IRS approval of refunding this amount prior to Severance from Employment. Refund of this amount will include Regular Interest and the refund will not reduce the amount of the benefit accrued as of the effective date.

## **ARTICLE VII**

### **EARLY RETIREMENT BENEFIT**

7.01 Eligibility for Benefit. A Participant shall be eligible for an early retirement benefit if his Severance from Employment occurs after the Participant attains early retirement age, but before the Participant attains Normal Retirement Age. "Early retirement age" means the age at which a Participant has attained age 55 and completed at least fifteen years of Credited Service.

7.02 Amount of Benefit. The monthly pension benefit payable to a Participant who is entitled to an early retirement benefit shall be an amount equal to:

(a) His Accrued Benefit determined as of his early retirement date if payment of his pension commences as of his normal retirement date; or

(b) His Accrued Benefit determined as of his early retirement date actuarially reduced for each month his pension starts before his normal retirement date. The monthly pension benefit payable to the Participant shall be the Actuarial Equivalent of the amount that would be paid under subsection (a). Payment of this amount shall continue during the life of the Participant without change at the Participant's normal retirement date.

7.03 Commencement of Benefit. An early retirement benefit will be payable to a Participant on the first day of the month after the Participant's Severance from Employment if the Participant is eligible for, and has applied for, an early retirement benefit.

Benefits will be paid on the first business day of each month following the date the early retirement benefit becomes payable until the Participant's death. Alternatively, the Participant may elect to commence receiving benefits on the first business day of any month between his Severance from Employment and his normal retirement date. Benefits shall not begin later than the Participant's normal retirement date. After the Participant's death, additional benefit payments (if any) depend on the form of benefits elected by the Participant.

7.04 Form of Payment Used in Determining Amount of Benefit. The amount of benefits determined under this Article is based on payment in the form of a Single Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Single Life Annuity.

7.05 Form of Benefit. An early retirement benefit shall be payable in the form determined under Article XI.

## **ARTICLE VIII** **DEATH BENEFIT**

8.01 Spousal Death Benefit. The Spouse of a Participant shall be eligible to receive a death benefit if the Participant dies after satisfying the following requirements, but before receiving any benefits from the Plan:

- (a) The Participant was married to the Spouse at the time of death;
- (b) The Participant did not complete a Beneficiary designation form naming a Beneficiary other than the Spouse and submit it to the County pursuant to Section 2.01(e); and
- (c) The Participant died while employed by the County or while on a leave of absence from the County to perform Qualified Military Service and after completing at least five years of Credited Service.

8.02 Amount of Spousal Death Benefit. If the Participant dies after completing at least 15 years of Credited Service, the monthly benefit payable to a Spouse who is entitled to a death benefit will be the amount the Spouse would have been entitled to receive as a Joint and 100% Survivor Annuity if the Participant had retired on the day immediately preceding his death. The monthly benefit payment will be subject to the provisions of Section 8.07, but it will not be reduced to reflect payment before the Participant's Normal Retirement Age.

If the Participant dies before completing at least 15 years of Credited Service, the monthly benefit payable to a Spouse who is entitled to a death benefit will be the amount the Spouse would be entitled to receive as a survivor benefit if the Participant terminated employment on his date of death, survived to his Earliest Retirement Age, elected to receive his distribution in the form of a Joint and 100% Survivor Annuity commencing on the later of his date of death or his Earliest Retirement Age and died the following day. The monthly benefit will be subject to the provisions of Section 8.07 and will be reduced to reflect payment before the Participant's Normal Retirement Age.

8.03 Commencement of Spousal Death Benefit. The monthly death benefit will be payable to a Spouse on the first day of the month after the Participant's death if the Spouse is eligible for, and has applied for, the death benefit. Benefits will be paid on the first business day of each month following the date the death benefit become payable until the death of the Spouse, subject to the following:

(a) If the Participant dies before completing at least 15 years of Credited Service, no monthly benefits will be paid before the first day of the month after the Participant would have attained his Earliest Retirement Age.

(b) The Spouse may elect to delay commencement of the monthly death benefit to the first day of any later month than the date otherwise provided in this Section, but not later than the first day of the month after the Participant would have attained his Normal Retirement Age.

8.04 Non-Spouse Death Benefit. An Eligible Beneficiary of a Participant who dies while employed by the County or while on a leave of absence from the County to perform Qualified Military Service after completing at least 15 years of Credited Service shall be eligible for a non-Spouse death benefit pursuant to this Section. The amount and form of the non-Spouse death benefit shall be determined in accordance with Section 8.02 and shall be paid in accordance with Section 8.03. For purposes of this Article VIII, "Eligible Beneficiary" means a Beneficiary who has been dependent on the Participant for at least fifty percent (50%) of the Beneficiary's financial support for at least two years immediately preceding the Participant's death.

8.05 Refund of Accumulated Contributions. If a Participant dies without a Spouse or Eligible Beneficiary (or if his Spouse or Eligible Beneficiary is not entitled to a monthly death benefit), but before receiving any benefits from the Plan, his Spouse or Beneficiary shall not be entitled to any benefits from the Plan other than a refund of the Participant's Accumulated Contributions. The refund shall occur as soon as administratively feasible after the Participant's death and shall be made in a single lump sum payment.

8.06 Rollover by Non-Spouse Beneficiary. A Beneficiary who is not the Participant's Spouse shall be permitted to elect a direct rollover to an individual retirement account of any refund of Accumulated Contributions payable to the Beneficiary.

8.07 Maximum Death Benefit if Workers Compensation Paid. If a death benefit is payable under this Article VIII, and if the Beneficiary is also receiving workers compensation benefits under any workers compensation or similar law on account of the same death, the amount of the Plan benefit will be reduced to 90% of the amount of the Participant's Final Average Salary, less the total of the following amounts:

(a) The workers compensation payments; and

(b) The benefit, if any, payable from the federal Social Security old age, survivors, and disability insurance program on account of the same death.

If the Participant receives a lump sum settlement with respect to a workers compensation claim, the amount of the settlement that is not allocated to medical benefits will be converted to an equivalent monthly amount on an annuitized basis using the actuarial assumptions described in Section 2.01(c). The resulting monthly amount will be deducted from the death benefit as described above.

**ARTICLE IX**  
**DEFERRED VESTED BENEFIT**

9.01 Eligibility for Benefit. A Participant shall be eligible for a deferred vested benefit if his Severance from Employment occurs after the Participant has at least eight (8) Years of Credited Service, but before qualifying for any other benefit under the Plan. Except as provided in Section 9.06, a Participant whose Severance from Employment occurs before the Participant qualifies for a deferred vested benefit or any other benefit shall not receive any benefit from the Plan.

The service requirement is reduced to five (5) years of Credited Service for the following Participant groups if the Participant's Severance from Employment occurs after the specified dates:

<b><u>Participant Group</u></b>	<b><u>Severance from Employment After</u></b>
Judges	June 30, 2000
Management Pay Plan	June 30, 2000
UAW – General and Courts	December 31, 2000
POLC – Circuit Court Reporters	April 30, 2001
Teamsters – Public Health Nurses	May 31, 2001
KCDSA – (All Units)	August 22, 2002
Teamsters – Parks Department	December 31, 2003
Elected Officials (Other than Commissioners)	December 31, 2005
Security Enforcement Officers hired before July 1, 2006	December 31, 2006
Airport Command Officers` Association	December 31, 2009

9.02 Amount of Benefit. The monthly retirement benefit payable to a Participant who is eligible for a deferred vested benefit will be an amount equal to the Participant's Accrued Benefit as of his Severance from Employment.

9.03 Commencement of Benefit. A deferred vested benefit will be payable to a Participant on the first day of the month after the Participant becomes eligible for, and has applied for, a deferred vested benefit. Benefits will be paid on the first business day of each month following the date the deferred vested benefit becomes payable until the death of the

Participant. After the Participant's death, additional benefits (if any), depend on the form of benefit payment elected by the Participant.

9.04 Form of Payment Used in Determining Amount of Benefit. The amount of benefits determined under this Article is based on payment in the form of a Single Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Single Life Annuity.

9.05 Form of Benefit. A deferred vested benefit shall be payable in the form determined under Article XI.

9.06 Refund of Accumulated Contributions. A Participant who is not eligible for a normal, early or disability retirement benefit may elect to receive a refund of his Accumulated Contributions at any time after his Severance from Employment. The refund shall be made in a single lump sum payment as soon as administratively feasible after the Participant's Severance from Employment. The Accrued Benefit of a Participant who elects to receive a refund of his Accumulated Contributions shall be forfeited.

## **ARTICLE X**

### **DISABILITY RETIREMENT BENEFIT**

10.01 Application of Article. The provisions of this Article X apply to all Participants other than those covered by a collective bargaining agreement with the County that does not provide for the replacement of the disability benefits provided under Appendix B with a long term disability insurance benefit and the duty disability benefit provided under this Article X. The provisions of this Article X shall not apply and the provisions of Appendix B shall continue to apply to Participants covered by a collective bargaining agreement until agreed to or implemented in accordance with the Michigan Public Employment Relations Act.

10.02 Eligibility for Disability Benefit Not Related to Service. A Participant shall be eligible for a disability retirement benefit not related to service if:

- (a) The Participant becomes disabled (as defined in Section 2.01(o)) while employed by the County after completing at least 10 years of Credited Service;
- (b) The Participant is disqualified from receiving benefits under the long term disability program provided by the County as a result of a preexisting condition; and
- (c) The Participant is not a Commissioner or Elected Official.

10.03 Eligibility for Duty Disability Retirement Benefit. A Participant shall be eligible for a duty disability retirement benefit if the Participant becomes disabled (as defined in Section 2.01(o)) as a direct and proximate result of a personal injury or disease that the Board of Trustees finds to have arisen out of and in the course of the Participant's actual performance of duty as an Employee.

10.04 Application for Disability Retirement Benefit. A Participant must apply for a disability retirement benefit not related to service or duty disability retirement benefit while

employed by the County and may submit whatever information the Participant believes is relevant to the Board of Trustees in determining whether the Participant has a Disability, including the report of a physician. The Board of Trustees will then obtain an independent medical examination of the Participant from a physician of its choosing, unless the Board of Trustees approves the application without a medical examination. If a physician selected by the Participant disagrees with the physician selected by the Board of Trustees concerning the Participant's disabled status, the Board of Trustees will hire an independent third party, such as Exam Works, to select a third physician who will perform an independent medical examination of the Participant. The expenses of the third physician will be shared equally by the Participant and the Board of Trustees. The Board of Trustees will then consider the findings of the three (3) physicians.

10.05 Amount of Disability Retirement Benefit Not Related to Service. The monthly pension benefit payable to a Participant who is entitled to a disability retirement benefit not related to service will be the Participant's Accrued Benefit as of the Participant's disability retirement date.

10.06 Amount of Duty Disability Benefit. The monthly pension benefit payable to a Participant who is entitled to a duty disability retirement benefit shall be an amount equal to the Participant's Accrued Benefit based on his Final Average Salary, but including in the Participant's Credited Service, the period between the month the Participant applies for a duty disability retirement benefit and the date the Participant will attain Normal Retirement Age. In no event, however, will the monthly pension benefit payable to a Participant exceed the maximum benefit described in Sections 6.02, 6.08 or 10.10.

10.07 Commencement, Suspension and Termination of Disability Retirement Benefits. A disability retirement benefit shall be payable to a Participant on the first day of the month following the Participant's Severance from Employment with the County. Benefits shall be paid on the first business day of each month after the disability retirement benefit becomes payable until the Participant's death. After the Participant's death, additional benefits (if any) depend upon the form of benefit payment elected by the Participant.

The Participant may be required to undergo a medical examination once each year for the first 5 years and once each 3 years thereafter until Normal Retirement Age. Disability retirement benefits shall be suspended if the Participant refuses to undergo a medical examination required by the Board of Trustees or to provide information about the Participant's Social Security benefits or remuneration for other work, copies of income tax returns or information about the Participant's medical condition to the Board of Trustees. The suspension shall continue until the Participant submits to the examination or provides the information requested by the Board of Trustees.

If, upon medical examination of a disability retiree, a physician reports to the Board of Trustees that the disability retiree is physically and mentally able and capable of resuming duty as an employee in the position held by the disability retiree at the time of disability retirement, then the Board of Trustees will arrange a further medical examination of the disability retiree made by or under the direction of a medical committee selected in accordance with Section 10.04. If the medical committee concurs, by majority opinion in writing to the Board of

Trustees, in the finding that the disability retiree is capable of such resumption of duty, the disability retiree's disability retirement benefits will terminate and the disability retiree will be returned to duty.

10.08 Form of Payment. The amount of a Participant's benefits under this Article is based on payment in the form of a Single Life Annuity. If the Participant elects an optional form of payment under Article XI, the amount of the Participant's benefit shall be the Actuarial Equivalent of a Single Life Annuity.

10.09 Recovery from Disability. The Credited Service of a former disability Retiree who is no longer receiving benefits from the Plan for one of the reasons described in Section 10.07 will be restored to the former disability Retiree's credit. The amount of Accumulated Contributions allocated to the disability Retiree's Accumulated Contributions account at the time of the disability retirement will be reduced by the sum of all disability retirement payments made. The disability Retiree will also be given service credit for the period of payment of the disability benefit. Benefit payments to a disability Retiree who has not recovered from the Disability but who is reemployed by Kent County in a different job position will be suspended as provided in Section 14.07. A former disability Retiree who is reemployed by Kent County will immediately again become a Participant in the Plan and earn additional months and years of Credited Service in accordance with Section 4.03.

10.10 Maximum Remuneration. If a disability Retiree receives remuneration for personal services rendered in any gainful occupation, workers compensation benefits under any workers compensation or similar law, disability benefits payable from the federal Social Security old age, survivors and disability insurance program or benefits under a disability income plan or insurance policy funded by the County, the amount of the disability benefit will be reduced to 90% of the amount of the disability Retiree's Final Average Salary, less the total of the following amounts:

- (a) Such remuneration;
- (b) The benefit, if any, payable from the federal Social Security old age, survivors and disability insurance program on account of the same disability;
- (c) The workers compensation payments; and
- (d) The County funded disability income plan or insurance policy payments.

If the Participant receives a lump sum settlement with respect to a workers compensation claim, the amount of the settlement that is not allocated to medical benefits will be converted to an equivalent monthly amount on an annuitized basis using the actuarial assumptions described in Section 2.01(c). The resulting monthly amount will be deducted from the disability retirement benefit as described above.

10.11 Decisions of the Board of Trustees. The decisions of the Board of Trustees concerning any claim for disability or the maximum disability allowance to be paid at any time will be final, subject to the appeal procedure contained in Section 3.07.

**ARTICLE XI**  
**FORMS OF PAYMENT**

11.01 Application for Pension Benefits. A Participant shall apply for benefits payable under the Plan. No pension benefits shall be payable under the Plan with respect to any period which is prior to the date an application for pension benefits is received and approved by the Pension Administrator, except as follows:

(a) The Pension Administrator determined under nondiscriminatory rules that the delay was not due to negligence of the Participant.

(b) Required minimum distributions under Section 11.08.

11.02 Automatic Forms of Benefit Payment. Unless a Participant elects an optional form of payment, his normal retirement benefit, early retirement Benefit, deferred vested benefit or disability retirement benefit shall automatically be paid under whichever of the following forms applies on the Participant's Annuity Starting Date:

(a) If the Participant is married as of his Annuity Starting Date, a Joint and 100% Survivor Annuity; or

(b) If the Participant is not married as of his Annuity Starting Date, a Single Life Annuity.

The amount of any form of payment other than the Single Life Annuity form shall be the Actuarial Equivalent of the Single Life Annuity form.

11.03 Joint and 100% Survivor Annuity – Spousal Beneficiary.

(a) Definition of Joint and 100% Survivor Annuity – Spousal Beneficiary. A Joint and 100% Survivor Annuity – Spousal Beneficiary is an immediate annuity for the life of the Participant, with a survivor annuity for the life of the Spouse which is equal to 100% of the amount payable during the life of the Participant. No survivor benefit shall be paid if the Spouse (as defined in Section 2.01(ff)) does not survive the Participant. If the Participant remarries after the Participant's Annuity Starting Date, no survivor benefit shall be paid to the subsequent spouse.

(b) Notice Requirements. The Pension Administrator shall provide each Participant with a QJSA Explanation as described in this subsection.

(1) Content of Notice. The QJSA Explanation shall include:

(A) The terms and conditions of a Joint and 100% Survivor Annuity – Spousal Beneficiary;

(B) The Participant's right to make, and the effect of, an election to waive the Joint and 100% Survivor Annuity – Spousal Beneficiary;

- (C) The rights of a Participant's Spouse;
- (D) A description of the optional forms of benefit payment;
- (E) A description of the eligibility conditions for the optional forms of benefit payment; and

(2) Time of Notice. The QJSA Explanation shall be provided to the Participant no less than 30 days and no more than 180 days before the Annuity Starting Date. However, the Participant and the Participant's Spouse may elect to waive the 30-day notice period.

(c) Waiver of Joint and 100% Survivor Annuity – Spousal Beneficiary. Within the 180-day period after the Pension Administrator provides the QJSA Explanation, the Participant may waive the receipt of benefits in the form of a Joint and 100% Survivor Annuity – Spousal Beneficiary and elect one of the optional forms of payment described in Section 11.04. The waiver must be in writing and must be consented to in writing by the Spouse of the Participant. The Spouse's consent must also acknowledge the effect of the waiver. The Spouse's consent must be witnessed by a Plan representative or a notary public. However, if the Participant establishes to the satisfaction of the Pension Administrator that written consent cannot be obtained because there is no Spouse or the Spouse cannot be located, the consent of the Spouse shall not be required to waive the Joint and 100% Survivor Annuity - Spousal Beneficiary. Any consent required by this provision shall be valid only with respect to the Spouse who signs the consent.

Any spousal consent under this subsection may be specific as to the alternative form of benefit payment that may be elected by the Participant or may authorize the Participant to designate an alternative form of benefit payment without any further spousal consent. The spousal consent may also be specific as to the nonspouse Beneficiary (including any class of beneficiaries or secondary beneficiaries) who shall receive a benefit after the Participant's death or may authorize the Participant to designate a nonspouse Beneficiary (including any class of beneficiaries or secondary beneficiaries) without any further spousal consent. If the spousal consent is specific as to the alternative form of benefit payment or Beneficiary, any change in the form of benefit payment or Beneficiary shall require a new spousal consent.

(d) Revocation of Waiver. A Participant may revoke a waiver of the Joint and 100% Survivor Annuity – Spousal Beneficiary without the consent of the Spouse at any time before the commencement of benefits. The number of waivers and revocations of waivers shall not be limited.

11.04 Optional Forms of Benefit Payment. If a Participant waives the automatic form of payment provided by Section 11.02, he may elect one of the following optional forms of payment:

(a) Single Life Annuity. A monthly benefit for the life of the Participant. No payments shall be made after the Participant's death.

(b) Ten-Year Certain and Life Annuity. A monthly benefit for the life of the Participant, with a guarantee of a minimum of 120 monthly payments. If the Participant dies before the minimum number of payments are made, monthly payments shall continue to his Beneficiary until the total number of payments made to the Participant and his Beneficiary equal the guaranteed minimum number of payments. The Participant may change his Beneficiary at any time before his death.

If there is no Beneficiary living on the date of the Participant's death, the lump sum Actuarial Equivalent of the remaining guaranteed payments shall be paid to the Participant's Spouse, or if the Participant has no surviving Spouse, the Participant's estate. If a Beneficiary begins to receive benefit payments and dies before the remaining guaranteed payments have been made, the lump sum Actuarial Equivalent of the remaining guaranteed payments that are payable to the Beneficiary shall be paid to a Beneficiary designated by the Participant's Beneficiary, or if there is no such Beneficiary living at the date payment is to be made, to the Beneficiary's estate.

(c) Joint and Survivor Annuity. A monthly benefit for the life of the Participant, with a survivor benefit payable to his Beneficiary, if living, in an amount equal to 50% or 100% of the amount payable during the life of the Participant. No survivor benefit shall be paid if the Beneficiary does not survive the Participant.

(d) Judges Option. If a judge makes the election under MCL Section 38.2504a to convert the balance of the difference between the State base salary and the maximum statutory salary established by the Revised Judicature Act that is not already converted under MCL Section 38.2504, the judge may elect payment at later termination of employment in any form permitted above, or may elect transfer and payment of the Accrued Benefit determined in Section 6.09 in the form of an Actuarially Equivalent lump sum benefit based on the actuarial assumptions used for determining equivalence among forms of benefit payment. This benefit is determined as if the Judge had a Severance from Employment on June 30, 1998. This amount will be increased by Regular Interest amounts from June 30, 1998 to the last day of the month preceding the date of distribution. The amount of the judge's Participant contributions that have been previously taxed will be paid to the electing judge. The balance of the Actuarially Equivalent lump sum benefit determined above, plus Regular Interest, will be transferred to the judges Retirement System. The amount transferred will be applied first to make the payment described in MCL Section 38.2504a(2) and, to the extent additional amounts remain, to a Tier 2 separate account for the electing judge in the manner described in MCL Section 38.2652(1).

An optional form of payment shall be elected in writing on forms provided by the Pension Administrator. However, if the Joint and 100% Survivor Annuity is the automatic form of payment, an optional form of payment may be elected only if the requirements of Section 11.03 are satisfied. The election is irrevocable as of the date a Participant's benefits begin, but may be periodically changed prior to that date.

11.05 Distribution of Accumulated Contributions. A Participant who is not entitled to a normal retirement benefit, early retirement benefit, deferred vested benefit or disability

retirement benefit upon his Severance from Employment shall be paid his Accumulated Contributions, plus interest awarded in accordance with Article 15, in a lump sum payment upon submitting a written request to the Board of Trustees. If a Participant dies and no benefit shall be payable under Section 8.01 of the Plan on account of the Participant's death, the Participant's Accumulated Contributions, plus interest awarded in accordance with Article 15, shall be paid to the Participant's Beneficiary in a single lump sum payment.

11.06 Termination of Pension; Residual Payment. In the event all benefit payments under the Plan terminate (i.e., upon the Retiree's death) before there has been paid an aggregate amount equal to the Retiree's total Accumulated Contributions made to the Plan, the difference between the Retiree's total Accumulated Contributions plus interest awarded in accordance with Article XV and the aggregate amount of benefit payments made shall be paid to the Retiree's Beneficiary in a single lump sum payment.

11.07 Eligible Rollover Distributions. If a Distributee receives an Eligible Rollover Distribution from the Plan, the following rules supersede any other provisions in this Article.

(a) Notice Requirement. No less than 30 days and no more than 180 days before a distribution, the Pension Administrator shall provide the Distributee with a written explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the written notice if the Distributee is clearly informed that the Distributee has at least 30 days to decide whether to receive a Direct Rollover.

(b) Direct Rollover. The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Direct Rollover shall not be permitted if the amount of the distribution is less than \$200;

(2) A Distributee may elect a Direct Rollover of a portion of the distribution and elect to receive the remaining amount, provided the amount of the Direct Rollover is at least \$500;

(3) A Distributee's election to make or not make a Direct Rollover with respect to one payment in a series of payments applies to all subsequent payments. However, the Distributee may change his election at any time;

(4) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan;

(5) The Distributee shall supply the Pension Administrator with any information the Pension Administrator reasonably requests in connection with the Direct Rollover; and

(6) A Beneficiary who is not the Participant's Spouse may only elect a Direct Rollover to an IRA or Roth IRA of any death benefit payable to the Beneficiary. The IRA or Roth IRA shall be treated as "inherited."

(c) Income Tax Withholding. Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

(d) Definitions. The following definitions apply for purposes of this Section:

(1) "Direct Rollover" means the payment of an Eligible Rollover Distribution by the Plan to an Eligible Retirement Plan specified by the Distributee. However, if the Distributee is a Beneficiary who is not the Participant's Spouse, the Direct Rollover may only be made to an IRA or Roth IRA.

(2) "Distributee" means a Participant, the Participant's Spouse, an alternate payee under a Qualified Domestic Relations Order, or a Beneficiary who is not the Participant's Spouse.

(3) "Eligible Retirement Plan" means an eligible retirement plan, as defined in Section 401(a)(31) of the Code. An Eligible Retirement Plan includes:

(A) An IRA or Roth IRA;

(B) A plan described in Sections 403(a) or 403(b) of the Code;

(C) A Qualified Plan; and

(D) An eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (an "Eligible Section 457 Plan"). However, an Eligible Section 457 Plan is an Eligible Retirement Plan only if it agrees to separately account for amounts transferred into such plan from this Plan.

(4) “Eligible Rollover Distribution” means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution of benefits, except the following:

(A) A distribution that is required under Section 401(a)(9) of the Code (for example, after the Participant attains age 70½);

(B) A distribution for a specified period of ten or more years;

(C) A 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 his Beneficiary; or

(D) Any financial hardship withdrawal made by a Participant.

(5) “IRA” means 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.

(6) “Roth IRA” means a Roth individual retirement account or annuity under Section 408A of the Code.

11.08 Required Minimum Distributions. Despite any other provisions, the benefit payments under this Article shall satisfy the minimum distribution requirements of Section 401(a)(9) of the Code, including the incidental death benefit requirement of Section 401(a)(9)(G). These rules are described in Appendix A.

#### 11.09 Lost Participants and Uncashed Benefit Checks.

(a) Forfeiture of Accrued Benefit If the vested portion of a Participant’s Accrued Benefit is payable under this Article and the Pension Administrator cannot locate the Participant after a reasonable search, the Participant shall be deemed to be “lost.” The Pension Administrator may then treat the Participant’s vested Accrued Benefit as a forfeiture.

(b) Reasonable Search For purposes of this Section, a search shall be considered to be “reasonable” if the Pension Administrator does the following:

(1) Sends a letter to the Participant at the Participant’s last known address and the letter is returned because it is undeliverable, or the check remains uncashed for at least six months; and

(2) The Pension Administrator takes the following additional steps described in paragraph (3).

(3) The Pension Administrator uses the services of a commercial locator service to determine the Participant's current address, but is unable to contact the Participant for a reason described in subparagraph (A) or (B).

(A) If a current address for the Participant is located, the Pension Administrator sends a letter to the Participant at that address, and

- (i) The letter is returned as undeliverable; or
- (ii) The check is not cashed within six months.

(B) No current address for the Participant is located.

(c) Restoration of Accrued Benefit. If the Participant's vested Accrued Benefit is forfeited under this Section and the Participant subsequently applies for benefits under the Plan, the Participant's vested Accrued Benefit shall be reinstated. The Participant shall then be entitled to receive a distribution of the Participant's vested benefits under the Plan.

(d) Beneficiaries. The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

**ARTICLE XII**  
**ACCOUNTING FOR PLAN ASSETS**

12.01 Accumulated Contributions - Participant Contribution Rate.

(a) Each Participant in the Plan will contribute the percentage of the Participant's Compensation described below after the date the Participant has completed six (6) months of employment. These contributions will be made even if the minimum salary or wages provided by law for any Participant may be changed. Continuation of employment with the County by the Participant will constitute consent and agreement to the deductions of applicable Participant contributions made and provided for herein. Payment of a Participant's compensation less this deduction will be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered by the Participant to the County, except as to benefits provided by this Plan. The contribution amount is the percentage of the Participant's Compensation described below for each group, effective on the dates specified:

<u>Participant Group</u>	<u>Participant Contribution Rate</u>	<u>Compensation Payments After</u>
Management Pay Plan*	Variable Rate	June 30, 2000
Judges	Variable Rate	June 30, 2000

<u>Participant Group</u>	<u>Participant Contribution Rate</u>	<u>Compensation Payments After</u>
Kent County Assistant Prosecuting Attorneys' Association	Variable Rate	May 31, 2000
Circuit Court Referees' Association	Variable Rate	May 31, 2000
UAW – General and Courts	Variable Rate	December 31, 2000
POLC – Circuit Court Reporters	Variable Rate	April 30, 2001
Teamsters – Public Health Nurses	Variable Rate	May 31, 2001
KCDSA – (All Units)	Variable Rate plus 3.43% of Compensation for payroll periods after June 30, 2002 and before March 31, 2013; then Variable Rate plus 3.8% of Compensation for payroll periods on or after April 1, 2013 and before July 1, 2017; then Variable Rate plus 1.75% of Compensation for payroll periods after June 30, 2017 through March 31, 2028; then Variable Rate plus 1.49% for payroll periods after March 31, 2028	August 22, 2002
Teamsters – Parks Department	Variable Rate	December 31, 2002
Elected Officials (Other than Commissioners)	Variable Rate	December 31, 2004

<u>Participant Group</u>	<u>Participant Contribution Rate</u>	<u>Compensation Payments After</u>
POAM Sheriff Department Road Patrol	Variable Rate plus, for payroll periods after June 30, 2010 and before July 1, 2025, 3.32% of Compensation; then  Variable Rate plus 1.33% of Compensation for payroll periods after June 30, 2025	June 6, 2003
POLC – Captains & Lieutenants	Variable Rate plus 3.5% of Compensation with cap of 8.5% for payroll periods before January 1, 2012 and a cap of 9.5% for payroll periods after December 31 2011 and before January 1, 2015 and no cap after December 31, 2014	December 31, 2006
Security Enforcement Officers hired before July 1, 2006	Variable Rate	December 31, 2005
Commissioners	Variable Rate	December 31, 2005
Airport Command Officers’ Association	Variable Rate	December 31, 2008

\*Members of the Management Pay Plan group who are employed as the Sheriff, Undersheriff or Chief Deputy who were previously members of the POLC – Captains & Lieutenants group will contribute at the rate that applies to the POLC – Captains & Lieutenants group, except that no cap shall apply.

The variable rate contribution will be the lesser of:

(1) ½ of the sum of (i) the normal cost of benefits and (ii) the current year portion of the amortized unfunded actuarial accrued liabilities, both expressed as a percent of Participant Compensation; or

(2) 6.5% of Participant Compensation. But effective as of January 1, 2012 (August 4, 2012 for the POAM Sheriff Department Road Patrol), 7.5 % shall be

substituted for 6.5% and effective January 1, 2014 (January 1, 2015 for the POLC – Captains & Lieutenants), 8.5% shall be substituted for 7.5% for Participants in the following Participant groups: Management Pay Plan; Commissioners and Elected Officials; Security Enforcement Officers; UAW – General & Courts; POLC – Circuit Court Reporters; Teamsters – Public Health Nurses; Teamsters – Parks Department; Circuit Court Referees Association; POAM Sheriff Department Road Patrol; Kent County Assistant Prosecuting Attorneys’ Association; and POLC – Captains & Lieutenants.

The normal cost of benefits and the unfunded actuarial accrued liabilities will be calculated by the Plan actuary for each Plan Year.

Participants on sickness and accident leave may elect to pay their contributions by making direct payments to the County or by payroll deduction on Compensation earned following return to employment or by pre-tax deductions from supplemental payments from their sick, holiday, or vacation leave banks.

(b) The County will cause the contributions provided for in this Section to be deducted from the Compensation of each Participant in the employ of the County, on each and every payroll, for each and every payroll period, after the date the Participant enters the Plan or after the date the Participant has completed six (6) months of employment, whichever is later. When deducted, each of these amounts will be paid by the County to the Trust. These payments will be made in the manner, form, and frequency and will be accompanied by the supporting data that the Board of Trustees prescribes from time to time. When paid to the Trust, the amounts will be credited to the Accumulated Contributions account of the Participant from whose compensation the contributions were deducted. At the end of each Plan Year the Board of Trustees will credit each Participant’s individual Accumulated Contributions account with Regular Interest on the largest balance remaining in the account for the entire Plan Year.

(c) In addition to the contributions deducted from the Compensation of Participants, as provided above, Participants may deposit amounts they previously withdrew from the Plan, together with Regular Interest from the date of withdrawal to the date of repayment, in their Accumulated Contributions account by making:

- (1) a lump sum cash contribution;
- (2) a direct plan-to-plan transfer from the Participant’s account under the Kent County Deferred Compensation Plan;
- (3) a rollover contribution, as defined in Code Section 408(d)(3), from the Participant’s individual retirement account, as defined in Code Section 408(a) (an “IRA”); or
- (4) a combination of the above.

In no case will Participants be given credit for service rendered prior to the date they withdrew their Accumulated Contributions until they return to their Accumulated Contributions account all amounts due the fund by them.

(d) The County will pick up the Participant contributions required by this Section for all Compensation earned after January 1, 1999. The picked up contributions will be treated as employer (County) contributions in determining tax treatment under Code Section 414(h)(2). Participant contributions picked up by the County pursuant to this subsection will be treated for all other purposes of this and other laws of the County in the same manner and to the same extent as Participant contributions made prior to the effective date of this subsection. Participants will not have the option of receiving the picked up Participant contributions in cash instead of having these amounts paid to the Trust.

(e) Payments of contributions made under Sections 5.02 and 5.03 above, may be made:

- (1) by a lump sum cash contribution,
- (2) by an increased rate of Participant contributions,
- (3) by a direct plan-to-plan transfer from the Participant's account under the Kent County Defined Compensation Plan;
- (4) by a rollover contribution, as defined in Code Section 408(d)(3), from the Participant's individual retirement account, as defined in Code Section 408(a) (an "IRA"); or
- (5) by a combination of the above as approved by the Secretary of the Board of Trustees.

Payment for any of these service purchases must be completed in a period of five (5) years or less. Contributions that are made as a percentage of periodic pay may be considered "picked up" under Code Section 414(h)(2) by the County as described in subsection 12.01(d) or may be made on an after-tax basis at the election of the Participant prior to the first such payment. The election to purchase service on a pre-tax, pick-up basis is irrevocable. Subsequent to the election to purchase service, Participants may not amend or revoke a pick-up election and may not make any direct payments for any service so purchased. The contribution or portion of the contribution that is paid in an initial cash deposit will not be considered "picked up." In the event that a Participant has a Severance from Employment prior to completion of the payments over the period elected, the County will reduce the final payroll amount due the Participant attributable to reimbursement for unpaid vacation or other extraordinary forms of Compensation (accrued pay) by the lesser of the accrued pay amount or the amount remaining unpaid. Any amounts remaining unpaid may be paid to the Plan on a lump sum, after-tax basis within 30 days of a Severance from Employment. If any amount remains unpaid 30 days after a Severance from Employment, then the additional service will be reduced to reflect the number of months of additional service for which payments have not been received.

12.02 County Contributions. The County's contributions to the trust will be the total of the contribution amounts provided for in (a) and (b) of this Section.

(a) The County's current service contributions will be determined as follows: upon the basis of mortality and other tables of experience and Regular Interest, the actuary will annually compute the rate of contributions which, together with Participant contributions, if paid annually by the County during the service of each Participant from the year of hire to the year of retirement, will be sufficient to provide the amounts required at the time of retirement. The Board of Trustees will annually certify to the Commissioners the amount of current service contribution so determined and the County will during its next ensuing fiscal year pay this amount to the Plan. These payments will be made in the manner, form, and frequency and will be accompanied by the supporting data as the Board of Trustees determines from time to time.

(b) The County's accrued service contributions will be determined as follows: upon the basis of mortality and other tables of experience and Regular Interest, the actuary will annually compute for the County the actuarial present value of the County's share of Plan benefits to be paid to or on behalf of Participants upon their retirements not covered by future current service contributions. The amount so determined, less the applicable balance in the trust, will be amortized over a period of years, as determined by the County, but not to exceed 30 years (40 years for years prior to 2006), to determine the County's accrued service contribution. The Board of Trustees will annually certify to the Commissioners the amount of accrued service contribution so determined, and the County will during its next ensuing fiscal year pay this amount to the Plan. These payments will be made in the manner, form, and frequency and will be accompanied by the supporting data as the Board of Trustees determines from time to time.

### **ARTICLE XIII** **INVESTMENT OF ASSETS**

13.01 Investment of Assets. The Board of Trustees will be the trustee of the funds of the Plan. The Board of Trustees will have full power to invest and reinvest the monies of the Plan, and to hold, purchase, sell, assign, lend, transfer or dispose of any of the securities and investments in which these monies have been invested, as well as the proceeds of these investments and monies; provided, that such investment and reinvestment will be subject to the Public Employee Retirement System Investment Act MCL 38.1132-1141, as amended from time to time (the "Act").

13.02 No Trustee May Gain from Investments. Except as to the rights of a Participant, Retiree or Beneficiary, no trustee and no officer or Employee of the Board of Trustees may have any interest direct or indirect in the gains or profits of any investment made by the Board of Trustees. Nor may any of them directly or indirectly for themselves or as an agent in any manner use the assets of the Plan except to make the current and necessary payments that are authorized by the Board of Trustees, nor may any of them become an endorser or surety or become in any manner an obligor for monies loaned by or borrowed from the Board of Trustees.

13.03 Limitation of Use of Assets. All assets of the Plan will be held for the sole purpose of paying benefits and making disbursements in accordance with the provisions of this Plan and may be used for no other purpose whatsoever.

13.04 The Assets of the Plan. The assets of the Plan will be held for investment and reinvestment in custodial accounts established by the Board of Trustees with one or more financial institutions as defined in the Act, or one or more insurance companies qualified to perform investment management services under the laws of more than one state. The Board of Trustees may, under the guidance of a professional investment manager, direct the investment of the assets of the Plan held by the Custodian, or the Board of Trustees may authorize the Custodian to act as investment manager with respect to the investment of the assets of the Plan, or the Board of Trustees may appoint an investment manager in accordance with Section 13.05 to direct the investment of the assets of the Plan.

13.05 Appointment of Investment Manager.

(a) The Board of Trustees may appoint the Custodian as the investment manager of the assets of the Plan held by the Custodian or the Board of Trustees may direct, by written notice to the Custodian, the segregation of any portion of the assets of the Plan into a separate investment account or accounts, and appoint one or more investment managers independent of the Custodian to direct the investment and reinvestment of any investment account. An investment manager will either be:

- (1) registered as an investment adviser under the Investment Advisers Act of 1940;
- (2) a bank, as defined in the 1940 Act; or
- (3) an insurance company qualified to perform investment management services under the laws of more than one state.

If investment of the assets of the Plan is to be directed in whole or in part by an investment manager, the Board of Trustees will deliver to the Custodian a copy of the instruments appointing the investment manager and evidencing the investment manager's acceptance of the appointment, an acknowledgment by the investment manager that it is a fiduciary of the Plan, and evidence of the investment manager's current registration under the 1940 Act. The Custodian will be fully protected in relying upon these instruments until otherwise notified in writing by the Board of Trustees.

(b) In the event an investment manager is appointed in accordance with the provisions of (a):

- (1) The Custodian will follow the directions of the investment manager regarding the investment and reinvestment of the investment account. The Custodian will be under no duty or obligation to review any investment to be acquired, held, or disposed of pursuant to such directions, nor to make any recommendations with respect to the disposition or continued retention of any such investment. The Custodian will have no liability or responsibility for acting

or not acting pursuant to the direction of or failing to act in the absence of, any direction from the investment manager, unless the Custodian knows that by such action or omission it would be itself committing or participating in a breach of fiduciary duty by the investment manager.

(2) The investment manager may issue orders for the purchase or sale of securities directly to a broker, in order to facilitate these transactions, the Custodian upon request, will execute and deliver appropriate trading authorizations. Written notification of the issuance of these orders will be given promptly to the Custodian by the investment manager; the execution of these orders will be confirmed by written advice to the Custodian by the broker. This notification will be authority for the Custodian to pay for securities purchased against receipt and to deliver securities sold against payment.

(3) If an investment manager resigns or is removed by the Board of Trustees, the Custodian, upon receiving written notice from the Board of Trustees that it is to resume the responsibility of management, will manage the investment of the investment account unless and until it is notified in accordance with the provisions of this section of the appointment of another investment manager.

(4) The accounts, books, and records of the Custodian will reflect the segregation of any portion or portions of the assets of the Plan held by the Custodian in a separate investment account or accounts.

13.06 Investment in Collective Investment Funds. The Board of Trustees may transfer, at any time and from time to time, all or any portion of the assets of the Plan to any other trust that is qualified under Code Section 401(a), exempt from taxation under Code Section 501(a), is maintained as a medium for the pooling of funds of qualified employee benefit trusts, and may execute such documents and other instruments as may be necessary in connection with the transfers. The terms and conditions of any such trust will be incorporated by reference in this Plan to the extent of the assets transferred to such trust.

#### **ARTICLE XIV** **MISCELLANEOUS**

14.01 Correction of Errors. If any change or error in records results in any Participant receiving from the Plan more or less than the Participant would have been entitled to receive had the records been correct, the Board of Trustees will correct the error, and will, as far as is practicable, adjust the payment of the benefit so that the actuarial equivalent of the benefit to which the Participant was correctly entitled will be paid.

14.02 Guaranteed Benefits. The accrued financial benefits under the Plan as previously existing will not be diminished or impaired by amendments to the Plan.

14.03 Amendments. The County reserves the right at any time to amend or revoke any or all of the provisions of this Plan. However, any substantive amendment that affects a Participant of this Plan who is in a collective bargaining unit is subject to the County's obligation to bargain in good faith with the recognized collective bargaining agent.

14.04 Exclusive Benefit. Except as provided in this Article, the Plan assets will not be diverted to or used for the County and in no event will any part of the Plan assets be at any time used for purposes other than the exclusive benefit of the Participants.

14.05 Right of Termination. The Plan may be terminated at any time, in accordance with the provisions of this Article, by action of the Commissioners, subject to the obligation of the County to bargain in good faith with respect to Participants of this Plan who are members of a collective bargaining unit recognized by the County. Upon complete or partial termination of the Plan, the rights of each Participant affected by the termination to benefits accrued to the date of termination, to the extent then funded, will become nonforfeitable.

14.06 Payment of Expenses. Administrative expenses of the Plan will be paid by Plan assets.

14.07 Payment of Benefits on Retiree Return to Employment. Except as described in the following paragraph, if a Retiree receiving payments is subsequently rehired as an Employee of the County, benefit payments will be suspended. Suspension of the benefit payments will become effective on the first day of the calendar month that follows the 60th day the Retiree is employed by the County. Payment of the benefits will resume on the first day of the calendar month that follows the Severance from Employment without change in amount or conditions by reason of the intervening employment. The Retiree will not receive additional months and years of Credited Service or increases in final average salary during the subsequent period of employment.

The payment of the benefit to the Retiree may continue without change in amount or conditions by reason of employment by the County if all of the following requirements are met:

(a) The Retiree does not receive additional months and years of Credited Service or increases in Final Average Salary as a result of employment subsequent to retirement;

(b) The Retiree is not eligible for any benefits from the County other than those required by law or otherwise provided to the retiree by virtue of having previously retired; and

(c) The retiree meets one of the following requirements:

(1) The Retiree is employed by the County for less than 1,000 Hours of Service in any 12- month period.

(2) A retiree who was not an elected or appointed County official at retirement, is elected or appointed as a County official for a term of office that begins effective after the Retiree's commencement of retirement benefits.

(3) A Retiree who was an elected or appointed County official at retirement, is elected or appointed as a County official to the same office from which the Retiree retired for a term of office that begins not less than two (2)

years after the effective date of the Retiree's commencement of retirement benefits.

(4) A Retiree who was an elected or appointed County official at retirement, is elected or appointed as a County official to a different office from which the Retiree retired for a term of office that begins after the effective date of commencement of retirement benefits.

## ARTICLE XV

### NON-ALIENATION OF BENEFITS AND DOMESTIC RELATIONS ORDERS

15.01 Assignments Prohibited. The right to a benefit, to the return of Accumulated Contributions, the benefit itself, any benefit option, and any other right accrued or accruing under the provisions of this Plan, and all monies belonging to the Plan will not be subject to execution, garnishment, attachment, bankruptcy or insolvency laws, or any other process of law whatsoever, and will be unassignable, except as specifically provided in this Plan; provided, that if Participants are covered by a group insurance or prepayment plan participated in by the County, and if they are permitted and elect to continue their coverage as Retirees, they may authorize the Board to have deducted from their benefit the payments required of them to continue coverage under such group insurance or prepayment plan; provided further, that the County will have the right of setoff for any claim arising from embezzlement by or fraud of a Participant, Retiree, or Beneficiary. This provision will not apply to any "eligible domestic relations order" as described in Section 15.02 or to any "Retiree domestic relations order" described in Section 15.06.

15.02 Requirement for Eligible Domestic Relations Orders. The Accrued Benefit of a Participant may be assigned to an alternate payee by an eligible domestic relations order ("EDRO") issued by a court of competent jurisdiction and filed with the Plan before the date benefit payments begin. A domestic relations order is not an "eligible domestic relations order" unless it meets the requirements of Code Section 414(p)(1)(A)(i) and MCL 38.1701, et seq. The order may award an alternate payee a share of the Participant's benefit. The Order may provide that benefits are payable in any form permitted under the Plan and permitted by MCL 38.1704; but the Alternate Payee may not elect a joint and survivor form of payment contingent on the life of any person except the Participant and Alternate Payee. If the alternate payee elects to have benefits commence at any time prior to the Participant's normal retirement date or in a form other than monthly payments for the life of the Participant, the benefit payable will be actuarially adjusted (based on the actuarial assumptions of Section 2.01(c) of this Plan) to reflect payment at a different time and in a different form.

15.03 Procedure for Domestic Relations Orders. Whenever the Plan is served with a domestic relations order from a court of competent jurisdiction, the Board of Trustees will follow the following procedure in determining whether the order constitutes an "eligible domestic relations order" that is exempt from the general spendthrift protection of this Article:

(a) The Board of Trustees will notify the Participant and any "alternate payees" named in the order that the order was served on the Board of Trustees and that objections concerning the order must be submitted in writing within 15 days;

(b) The Board of Trustees will determine whether the order is an “eligible domestic relations order” as defined in this Section and notify the Participant and each alternate payee of its determination. If the Board of Trustees determines that the order is an eligible domestic relations order, the Board of Trustees will direct the Custodian to make payment in accordance with the order except that payment will not be made until the Participant has attained the age and service requirements for early retirement benefits under Section 7.01;

(c) During the period in which the Board of Trustees is determining the status of the order, payment of any benefits in dispute will be defined and the amount of the disputed payments will be segregated in a separate account in the Plan. If the order is determined to be an eligible domestic relations order within 18 months after segregation of the benefits in dispute, the Board of Trustees will direct the Custodian to pay the segregated amount, plus investment credits, to the persons entitled to receive them in accordance with the order:

(d) If the Board of Trustees determines that the order is not an eligible domestic relations order, or if the 18 month period described in (c) has expired and the qualification issue has not been resolved, the Board of Trustees will direct the Custodian to pay the segregated funds to the person or persons who would have received them if the order had not been served on the Board of Trustees. If the Board of Trustees determines that the order is an eligible domestic relations order after expiration of the 18 month period, the order will be applied prospectively only;

(e) If the order is determined not to be an eligible domestic relations order, any amounts segregated pursuant to this procedure will be restored to the account of the Participant or distributed to the Participant if eligible for distribution; and

(f) The Board of Trustees will notify the Participant and all other alternate payees named in the order of its decision concerning the eligible status of the order. Payments pursuant to the order will be made as soon as practicable after the status of the order has been determined or as soon as the amounts become payable pursuant to this Plan.

15.04 Payment Pursuant to Eligible Domestic Relations Orders. Benefits payable pursuant to an eligible domestic relations order will be made in accordance with the order and upon proper application by the alternate payee. Payment to the alternate payee may begin anytime on or after the Participant’s Earliest Retirement Age regardless of whether the Participant actually terminates employment at that time. If the payments begin before the Participant has a Severance from Employment, the alternate payee will only be entitled to a benefit that is the Actuarial Equivalent of the alternate payee’s share of the Participant’s benefit that would be payable when the Participant reaches age 60. If the Participant retires before age 60, the Board of Trustees will recalculate the benefit payable to the alternate payee so that the recalculated benefit payable to the alternate payee plus the benefit previously paid to the alternate payee are the Actuarial Equivalent of the alternate payee’s share of the benefit payable to the Participant. If the recalculated benefit is more than the benefit the alternate payee is

receiving, the Plan will begin paying the recalculated benefit to the alternate payee effective the first day of the month immediately following the month in which the Participant retires.

15.05 Accumulated Contributions. The Board of Trustees will allocate to an alternate payee a pro rata share of the Participant's Accumulated Contributions as of the date of the award of Accrued Benefits. This amount will be segregated for the benefit of the alternate payee and credited with Regular Interest thereafter. No Accumulated Contributions allocated to an alternate payee under an eligible domestic relations order will be payable to either the Participant or alternate payee except payments to an alternate payee's Beneficiary pursuant to Section 11.06 as if the alternate payee were the Participant.

15.06 Retiree Domestic Relations Order. A court of competent jurisdiction may order a division of a Retiree's benefit in the form paid prior to the divorce or in a Single Life Annuity form as described in Section 11.04(a), and award a percentage or dollar amount to be paid to the former spouse.

(a) If the Retiree is receiving a reduced retirement benefit naming the former spouse as the Retiree's survivor Beneficiary, the benefit election will be considered void if an order of a court of competent jurisdiction provides that the benefit payment form is to be considered void and a certified copy of the order is served on the Plan. If the benefit payment form is declared void, the benefit payment form will revert to a Single Life Annuity over the life of the Retiree, including all post-retirement adjustments. The court may order payment of a percentage or dollar amount of the Single Life Annuity to the alternate payee in the manner described in (b), below.

(b) A court of competent jurisdiction may order a division of a Retiree's benefit in the form paid prior to the divorce and award a percentage or dollar amount to be paid to the former spouse. If the Retiree predeceases the alternate payee, survivor benefits, if any, will be paid in the form and to the Beneficiary elected prior to the divorce. If the alternate payee predeceases the Retiree, the alternate payee's interest will revert to the Participant.

A domestic relations order may not require the Plan to provide a type or form of benefit not provided by the Plan and may not require the Plan to provide an increased benefit determined on the basis of actuarial value. The validity of orders under this section will be determined using a procedure that is the same as the procedure described in Section 15.03, to the extent possible.

15.07 Domestic Relations Orders Affecting Employees of Kent County CMH Authority. This Plan will have no liability for any payments to alternate payees of individuals employed by Kent County Community Mental Health on February 28, 2003 except for alternate payees of Employees employed by Kent County Community Mental Health on February 28, 2003 who did not become employed by Kent County CMH Authority on April 1, 2003 and for alternate payees of such individuals whose benefits had commenced prior to February 28, 2003.

**Signature**

Kent County has signed the amended and restated Kent County Employees' Retirement Plan and Trust on the date stated below.

**KENT COUNTY**

Dated: January 28, 2016

Signature

Daryl J. Delabbio, Administrator/Controller  
Printed Name and Title

**Appendix A  
to the  
Kent County  
Employees' Retirement Plan and Trust**

**Minimum Distribution Requirements**

**Section 1 General Rules**

**1.1 Effective Date** The provisions of this Appendix shall apply for purposes of determining required minimum distributions for Calendar Years beginning with the 2003 Calendar Year.

**1.2 Precedence** The requirements of this Appendix shall take precedence over any inconsistent provisions of the Plan.

**1.3 Requirements of Treasury Regulations Incorporated** All distributions required under this Appendix shall be determined and made based upon the Treasury regulations under Section 401(a)(9) of the Code, including Treas. Reg. §1.401(a)(9)-6.

**Section 2 Time and Manner of Distribution**

**2.1 Distributions During a Participant's Lifetime** The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

**2.2 Definition of Required Beginning Date**

**(a) General Rule** Except as otherwise provided, a Participant's Required Beginning Date is the April 1 of the Calendar Year following the later of:

(1) The Calendar Year in which the Participant attains age 70½; or

(2) The Calendar Year in which the Participant's Severance from Employment occurs.

**(b) Special Rule for Five-Percent Owners** If a Participant is a Five-Percent Owner during the Plan Year ending in the Calendar Year in which the Participant attains age 70½, the Participant's Required Beginning Date is April 1 of the Calendar Year following the Calendar Year in which the Participant attains age 70½. This rule applies even if the Participant is actively employed by Employer.

**2.3 Death of Participant Before Distributions Begin** If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's Spouse is the Participant's sole Designated Beneficiary, then distributions to the Spouse must begin by the later of:

(1) December 31 of the Calendar Year immediately following the Calendar Year in which the Participant died, or

(2) December 31 of the Calendar Year in which the Participant would have attained age 70½.

(b) If the Participant's Spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary must 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 must be distributed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's death.

(d) If the Participant's Spouse is the Participant's sole Designated Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section 2.3, other than Section 2.3(a), shall apply as if the Spouse were the Participant.

For purposes of this Section 2.3 and Section 5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 2.3(d) applies, the date distributions are required to begin to the Spouse under Section 2.3(a)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's Spouse before the date distributions are required to begin to the Spouse under Section 2.3(a)), the date distributions are considered to begin is the date distributions actually commence.

**2.4 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, distributions beginning with the first Distribution Calendar Year shall be made under Section 3, Section 4 and Section 5. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made under the requirements of Section 401(a)(9) of the Code and the Treasury 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 shall 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.

### **Section 3 Determination of Amount to be Distributed Each Year**

**3.1 General Annuity Requirements** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity shall satisfy the following requirements:

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

(b) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in Section 4 or Section 5;

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

(d) Payments shall either be nonincreasing or increase only as follows:

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

(2) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Designated Beneficiary whose life was being used to determine the distribution period described in Section 4 dies or is no longer the Participant's Designated Beneficiary under a Qualified Domestic Relations Order;

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

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

**3.2 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 Section 2.3(a) or (b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next Calendar Year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year shall 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.

**3.3 Additional Accruals After First Distribution Calendar Year** Any additional benefits accruing to the Participant in a Calendar Year after the first Distribution Calendar Year shall be distributed beginning with the first payment interval ending in the Calendar Year immediately following the Calendar Year in which such amount accrues.

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

**4.1 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 nonspouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A 2 of Treas. Reg. §1.401(a)(9)-6 and the adjusted Participant/beneficiary age difference. If the form of distribution combines a Joint and Survivor Annuity for the joint lives of the Participant and a nonspouse Designated Beneficiary and a period certain annuity, the requirement in the preceding sentence shall apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

**4.2 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 set forth under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 for the Calendar Year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's Spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 4.2, 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 Treas. Reg. §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Calendar Year that contains the Annuity Starting Date.

**Section 5 Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin**

**5.1 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 shall be distributed, beginning no later than the time described in Section 2.3(a) or (b), over the life of the Designated Beneficiary or over a period certain not exceeding:

(a) Unless the Annuity Starting Date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined using the Designated Beneficiary's age as of the Designated Beneficiary's birthday in the Calendar Year immediately following the Calendar Year of the Participant's death; or

(b) If the Annuity Starting Date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined using the Designated Beneficiary's age as of the Designated Beneficiary's birthday in the Calendar Year that contains the Annuity Starting Date.

**5.2 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 shall be completed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's death.

**5.3 Death of Spouse Before Distributions to the Spouse Begin** If the Participant dies before the date distribution of his or her interest begins, the Participant's Spouse is the Participant's sole Designated Beneficiary, and the Spouse dies before distributions to the Spouse begin, this Section 5 shall apply as if the Spouse were the Participant, except that the time by which distributions must begin shall be determined without regard to Section 2.3(a).

## **Section 6 Definitions**

This Section contains definitions of terms for purposes of this Appendix. Other capitalized terms that are not defined in this Section shall have the same meaning as in Article II of the Plan.

**6.1 Designated Beneficiary** The individual who is designated as the beneficiary under the Plan and is the Designated Beneficiary under Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9)-4.

**6.2 Distribution Calendar Year** A Calendar Year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the Calendar Year immediately preceding the Calendar Year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the Calendar Year in which distributions are required to begin under Section 2.3.

**6.3 Joint and Survivor Annuity** A form of benefit payment that provides a monthly benefit to the Participant during the Participant's life and, if the Participant is survived by a beneficiary, a monthly survivor benefit for the remaining portion of the beneficiary's life.

**6.4 Life Expectancy** Life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.

**6.5 Required Beginning Date** The date specified in Section 2.2.

**6.6 Section** A section of this Appendix, unless the context indicates otherwise.

**Appendix B  
to the  
Kent County  
Employees' Retirement Plan and Trust**

**ARTICLE X  
DISABILITY RETIREMENT**

The provisions of this Appendix B apply only to those Participants who are covered by a collective bargaining agreement until the provisions of Article X set forth on pages 29-32 of the Plan are agreed to or implemented in accordance with the Michigan Public Employment Relations Act.

10.01 Disability Not Related to Service. Any participant in service with 10 or more years of credited service who has not attained normal retirement age and who becomes disabled and the disability is not related to service, may be retired by the Board of Trustees upon the written application filed with the Board of Trustees by or on behalf of the participant. Determination of total and permanent disability will be made by the Board of Trustees on the basis of medical evidence and/or testimony satisfactory to the Board of Trustees. If the participant disagrees with the Board of Trustees concerning the participant's disabled status, the participant and the Board of Trustees will each appoint a physician and these physicians will select a third physician. The expenses of the third physician will be shared equally by the participant and the Board of Trustees. The Board of Trustees will then consider the findings of the three (3) physicians.

10.02 Payments for Disability Not Related to Service. A participant who has a disability not related to service will receive a benefit provided for in Section 6.02 and will have the right to elect an option provided for in Section 11.04. The disability retirement benefit will be subject to the provisions of Sections 10.05, 10.06, 10.07 and 10.08 of this Appendix B.

10.03 Service Related Disability. Any participant in service who has not attained normal retirement age and who becomes disabled as the direct and proximate result of a personal injury or disease that the Board of Trustees finds to have arisen out of and in the course of the participant's actual performance of duty as an employee, may be retired by the Board of Trustees on written application filed with the Board of Trustees by or on behalf of the participant; provided, that after a medical examination of the participant made by or under the direction of a medical committee consisting of three (3) physicians, the medical committee reports to the Board of Trustees, by majority opinion in writing, that the participant is physically or mentally totally incapacitated for the further performance of duty, that the incapacity will probably be permanent, and that the participant should be retired. The medical committee will be chosen in the same manner as described in Section 10.01 of this Appendix B.

10.04 Payments for Service Related Disability. A participant who has a service related disability will receive a benefit provided for in Section 6.02; provided, that for the sole purpose of computing the amount of the disability benefit, the participant will be given credited service for the period from the date of disability retirement to the date the participant would attain normal retirement age. The disability retiree will have the right to elect an option provided for in

Section 11.04 and the disability retirement and benefit will be subject to the provisions of Sections 10.05, 10.06, 10.07 and 10.08 of this Appendix B.

10.05 Review of Determination. At least once each year during the first five (5) years following a participant's retirement on account of disability, and at least once in each three (3) year period thereafter, the Board of Trustees may require any disability retiree who has not attained normal retirement age to undergo a medical examination to be made by or under the direction of a physician designated by the Board of Trustees. If a disability retiree refuses to submit to a medical examination in any such period or fails to provide information about remuneration for other work (including copies of income tax returns), information about social security benefits or information about medical condition, the disability benefit may be suspended by the Board of Trustees until withdrawal of the refusal. If the refusal continues for one year, all rights in and to a disability benefit may be revoked by the Board of Trustees. If, upon medical examination of a disability retiree, a physician reports to the Board of Trustees that the disability retiree is physically and mentally able and capable of resuming duty as an employee in the position held by the disability retiree at the time of disability retirement, then the Board of Trustees will arrange a further medical examination of the disability retiree made by or under the direction of a medical committee consisting of three (3) physicians, one of whom will be selected by the Board of Trustees, one by or on behalf of the disability retiree, and the third by the first two physicians so named. If the medical committee concurs, by majority opinion in writing to the Board of Trustees, in the finding that the disability retiree is capable of such resumption of duty, the disability retiree's disability retirement will terminate and the disability retiree will be returned to duty.

10.06 Recovery from Disability. A former disability retiree who returns to duty as provided in the preceding Section, will immediately again become a participant of the Plan, and the credited service at the time of the disability retirement will be restored to the former disability retiree's credit. The amount of accumulated contributions allocated to the disability retiree's accumulated contributions account at the time of the disability retirement will be reduced by the sum of all disability retirement payments made. In the case of a service related disability benefit provided for in Section 10.03 of this Appendix B, the former disability retiree will be given service credit for the period of payment of the service related disability benefit.

10.07 Maximum Remuneration. If a disability retiree receives remuneration for personal services rendered in any gainful occupation, the amount of the disability benefit will be reduced to 90% of the amount of the disability retiree's final average salary, less the total of the following amounts:

- (a) Such remuneration; and
- (b) The benefit, if any, payable from the federal Social Security old age, survivors, and disability insurance program on account of the disability.

10.08 Maximum if Workers Compensation Paid. If a disability benefit is payable under the provisions of Article X of this Appendix B, and if the beneficiary or disability retiree is also receiving workers compensation benefits under any workers compensation or similar law on account of the same disability or payments from a disability income plan funded by the County,

the amount of the Plan benefit will be reduced to 90% of the amount of the participant's final average salary, less the total of the following amounts:

- (a) The workers compensation payments;
- (b) The disability income payments;
- (c) The benefit, if any, payable from the federal Social Security old age, survivors, and disability insurance program on account of the same death or disability;
- (d) The remuneration, if any, received by the disability retiree for personal services rendered in any gainful occupation.

If the participant receives a lump sum settlement with respect to a workers compensation claim, the amount of the settlement that is not allocated to medical benefits will be converted to an equivalent monthly amount on an annuitized basis using the actuarial assumptions described in Section 2.01(c). The resulting monthly amount will be deducted from the normal retirement benefit as described above.

10.09 Decisions of the Board of Trustees. The decisions of the Board of Trustees concerning any claim for disability or the maximum disability allowance to be paid at any time will be final.