

CHARLES COUNTY PENSION PLAN

**Amended and Restated Effective
July 1, 2018**

TABLE OF CONTENTS

| | | |
|------------|---|----|
| SECTION 1 | INTRODUCTION | 1 |
| SECTION 2 | DEFINITIONS | 3 |
| SECTION 3 | PARTICIPATION..... | 12 |
| SECTION 4 | NORMAL RETIREMENT INCOME | 15 |
| SECTION 5 | DISABILITY BENEFITS | 25 |
| SECTION 6 | CREDITED SERVICE | 30 |
| SECTION 7 | FUNDING OF BENEFITS..... | 35 |
| SECTION 8 | DEATH BENEFITS | 39 |
| SECTION 9 | NORMAL FORM OF PAYMENT..... | 46 |
| SECTION 10 | RETIREMENT INCOME: OPTIONAL FORMS OF PAYMENT | 51 |
| SECTION 11 | FIDUCIARY RESPONSIBILITY PROVISIONS | 54 |
| SECTION 12 | PLAN ADMINISTRATION..... | 57 |
| SECTION 13 | CLAIMS PROCEDURES/MISCELLANEOUS..... | 64 |
| SECTION 14 | AMENDMENT AND TERMINATION OF PLAN | 66 |

INTRODUCTION - SECTION 1

1.1 History of Plan

As of July 1, 1968, the County Commissioners of Charles County, Maryland (the "Commissioners") established the Charles County Pension Plan (the "Plan") to provide retirement income and other benefits for certain of its employees and their beneficiaries.

From time to time thereafter, the Commissioners have amended this Plan in accordance with the provisions of the Plan. In particular, effective July 1, 1991, the Plan was amended to permit certain Employees to make retroactive Participant Contributions and buy back Service for the employment periods attributable thereto. Effective January 1, 1992, the Plan was amended to allow the Employer to "pick up" the Participants' contributions and to provide that the amount "picked up" by the Employer on behalf of the Participants be excluded from the Participants' gross income for federal tax purposes. It is intended that the "pick up" of Participants' Contributions by the Employer be in accordance with the provisions of section 414(h)(2) of the Internal Revenue Code of 1986 ("Code") and that the contributions so "picked up" shall be deemed Employer contributions, and the contribution shall continue to be excluded from the Participants' gross income for federal tax purposes.

Effective July 1, 1995, Correctional Officers, Communication Employees and Dispatchers were given the choice to continue participation under this Plan or to transfer to the Sheriff's Office Retirement Plan. The benefits accrued under this Plan and the associated assets to cover these liabilities were transferred from this Plan to the Sheriff's Office Retirement Plan.

Effective July 1, 2004, certain Participants in the Plan were eligible to elect to be reclassified as "Public Safety Participants" and a separate contribution and benefit structure was adopted for those electing participants and for employees employed by the County in certain positions on or after July 1, 2004.

The Plan has since been amended from time to time to reflect changes in state and federal laws governing qualified retirement plans and to reflect changes in benefits approved by the Commissioners.

Effective July 1, 2018, the Plan is amended and restated in its entirety.

1.2 Preservation of Rights

Each Participant under the Plan as in effect on June 30, 2018 who is in the active employment of the Employer on that date shall continue to be a Participant under this Plan on and after December 1, 2004, in accordance with its terms.

Except as otherwise provided in this Plan, each former employee who is receiving retirement income payments under the Plan as in effect on June 30, 2018 shall receive such payments on and after July 1, 2018 in accordance with the terms of the Plan as in effect on June 30, 2018.

Except as otherwise provided in this Plan, each former employee who terminated employment prior to July 1, 2018 with a vested retirement income benefit under the Plan, and who had not commenced receiving retirement income benefits on such date, will be eligible to receive retirement income on his or her retirement date, as determined by his or her coverage under the Plan as in effect on June 30, 2018.

No provisions of this Plan, other than those required to maintain this Plan as one which is qualified under Code section 401(a), shall operate to diminish or otherwise adversely affect the amount or terms of retirement income accrued in respect to a Participant's coverage under the Plan as in effect on June 30, 2018.

1.3 Qualification Under Internal Revenue Code

This Plan is intended to continue to qualify under Code section 401(a) as amended and as applicable to governmental plans within the meaning of Code section 414(d) so that the trust established under the Plan will be exempt from tax under Code section 501. Any modification or amendment to the Plan may be made by the Employer, retroactively if necessary, to establish and maintain such qualification.

DEFINITIONS - SECTION 2

Accrued Benefit - The yearly retirement income commencing on the Participant's Normal Retirement Date determined in accordance with Sections 4 and 6 hereof as if the Participant's Termination Date occurred on the date of determination and as if the Participant had a Vesting Percentage of 100%.

Adjustment Factor - The appropriate adjustment factor(s) which may be applicable to a Participant's retirement income in accordance with the further terms of the Plan. With respect to each Participant whose Retirement Date occurs after July 1, 1997, the appropriate Adjustment Factors for determining the amount of retirement income payable under a form of payment other than the normal form of payment described in Section 9 are the applicable Adjustment Factors based on the following assumptions:

- (A) Mortality according to the 1971 Group Annuity Mortality Table for males, with ages for Participants set back 1 year and ages for Beneficiaries set back five years.
- (B) Interest at a rate per annum of 6%.
- (C) Modified Cash Refund normal form of payment.

Beneficiary or Beneficiaries - Any person(s) entitled to receive the benefits which are payable under the Plan upon or after the death of a Participant.

Benefit Commencement Date - The first day of the first period for which the sole payment or the first in a series of payments constituting the distribution of an Accrued Benefit is made.

Cash-Out - A distribution in settlement of a benefit otherwise payable under the Plan, and which is equal to the Participant's Employee Contributions Benefit.

C/L Increase - An automatic increase (without necessity of Plan amendment) in a dollar value set forth or described in the Plan, for the purpose of reflecting increases in the cost of living to the extent prescribed in or pursuant to regulations under Code section 415(d), but only to the extent permitted by the operative Code or regulatory provision specifically governing the dollar value in question.

Code - The Internal Revenue Code of 1986, or any provision or section thereof specifically referred to in this Plan, as such Code, provision or section may be amended from time to time.

Commissioners - The County Commissioners of Charles County, Maryland.

County - The County of Charles, a body corporate and politic, duly organized and existing under the laws of the State of Maryland.

Dependent Children - The children born to, or legally adopted by the Participant, or the Participant's step-child then living with the Participant. Such child shall be unmarried, primarily dependent upon the Participant for support, and under 19 years of age, or, if a full-time college or university student, under 23 years of age.

Dual Service Participant - A Participant who has accrued credit for Service after July 1, 2004 by virtue of employment for the Employer in the capacity of both a Non-Public Safety Participant and a Public Safety Participant.

Early Retirement Date - (A) With respect to a Non-Public Safety Participant, any date occurring on or after: (1) the Participant's 52nd birthday, and (2) the first day on which a Participant has completed at least five Years of Service, and is within ten years of, but prior to, the date the Non-Public Safety Participant will reach his or her Normal Retirement Date. Notwithstanding the foregoing, with respect to a Non-Public Safety Participant who continuously has been a Non-Public Safety Participant in the Plan and an Employee of the County since a date prior to July 1, 1977, "Early Retirement Date" shall be any date occurring on or after (3) the Non-Public Safety Participant's 50th birthday, and (4) the first day on which a Participant has completed at least five Years of Service, and is within ten years of, but prior to, the date the Non-Public Safety Participant will reach his or her Normal Retirement Date.

(B) With respect to a Public Safety Participant, any date occurring on or after the first day on which a Participant has completed at least 20 Years of Service, but prior to the date the Participant reaches a Normal Retirement Date.

(C) A Dual Service Participant will reach an Early Retirement Date determined pursuant to whichever subsection (A) or (B) of this definition of Early Retirement Date applies and the Participant's status as a Public Safety Participant or Non-Public Safety Participant on the Participant's Termination Date.

Earnings - Basic compensation received from the Employer, excluding overtime payments, commissions, bonuses, and any other additional compensation, but including elective contributions that are made by the Employer on behalf of Employees that are not includible in the Employees' gross income under Code section 125 or 132(f), contributions made to this Plan pursuant to Code section 414(h)(2), compensation deferred under an eligible deferred compensation plan within the meaning of Code section 457(b), and differential wage payments within the meaning of Code section 3401(h)(2) (pertaining to payments to an Employee performing services in the uniformed armed services).

The Earnings of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2008 shall not exceed \$245,000. Annual Earnings means earnings during the Plan Year or such other consecutive 12-month period over which Earnings are calculated under the Plan (the "determination period").

The \$245,000 limit on annual Earnings set forth above shall be adjusted in accordance with Code section 401(a)(17)(B) of the Code. The cost of living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Earnings Computation Period - The full pay period closest to July 1 within the applicable Plan Year, for purposes of determining the amount of retirement income payable in accordance with the provisions of Section 4.1 of the Plan. The full pay period closest to July 1 will be determined by counting (A) the number of business days in the pay period before and including July 1 and (B) the number of business days in the pay period after July 1. If the same number or more business days in the pay period containing July 1 occur before July 1 than after July 1, the pay period containing July 1 will be the full pay period closest to July 1, even if that pay period begins before July 1.

Example: A pay period begins Saturday, June 23 and ends Friday, July 6. Five business days occur before and including July 1 and five business days occur after July 1. The pay period beginning June 23 is the full pay period closest to July 1 for this Plan Year and the Rate of Earnings in effect on June 23 is used to determine Final Average Earnings.

Example: A pay period begins Saturday, June 28 and ends Friday, July 11. Two business days occur before and including July 1 and eight business days occur after July 1. The pay period beginning July 12 is the full pay period closest to July 1 for this Plan Year and the Rate of Earnings in effect on July 12 is used to determine Final Average Earnings.

Effective Date - This Plan was originally adopted effective as of July 1, 1968. The effective date of this amendment and restatement is July 1, 2018.

Eligible Class - An individual is in an Eligible Class at any time the individual is classified as an Employee or is an elected official of Charles County. The term "Employee" shall not include:

- (A) an Employee of the Charles County Board of Education; or
- (B) an Employee who is a Participant in the Sheriff's Office Plan.

Employee - Any individual in the employ of the Employer whose customary employment is for 25 hours or more per week, and for at least 1,250 hours per calendar year. Notwithstanding the foregoing, effective with respect to an Employee whose date of hire for the County is on or after July 1, 2016, the term "Employee" shall mean any individual in the employ of the Employer whose customary employment is for at least 1,950 hours per year. With respect to an individual who was not an Employee of the

County on July 1, 2016, but who is re-employed by the County after July 1, 2016 and receives credit for all prior service pursuant to Section 3.2(B) will be treated as an Employee for purposes of the Plan if the Employee's customary employment is for 25 hours or more per week, and for at least 1,250 hours per calendar year.

The term "Employee" shall exclude any individual who performs services for the County solely on a contract basis. The term "Employee" shall include any Leased Employee, unless:

(A) Leased Employees constitute 20% or less of the Employer's work force of Employees who have performed services for the Employer on a substantially full-time basis for a period of at least one year and who are not highly compensated employees; and

(B) Such Leased Employee is covered by a money purchase pension plan sponsored by the leasing organization under which:

(1) non-integrated contributions by the leasing organization equal or exceed 10% of compensation; and

(2) the plan provides for full and immediate vesting; and

(3) with respect to any Leased Employee who has received compensation from the leasing organization in each of the last four Plan Years of at least \$1,000, the plan provides for immediate participation.

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

Employee Contributions Benefit - The sum of the following amounts (net of any previous distributions):

(A) The contributions made by the Participant through salary reduction and "picked up" by the Employer, as described in Section 7.4; plus

(B) The contributions made by the Participant through salary reduction prior to January 1, 1992 which were not "picked up" by the Employer; plus

(C) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), and picked up by another Government Employer, all of which are thereafter transferred to the Plan; plus

(D) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), through transfer from another

Government Employer Retirement Plan which were not picked up by such Government Employer; plus

(E) The contributions made by the Participant to purchase service, pursuant to Section 6.3; plus

(F) Interest of five percent on the amounts described in (A) through (E) above computed on July 1 of each year and compounded annually.

Employer - The County Commissioners of Charles County Maryland.

Final Average Earnings - The highest average Rates of Earnings on any three consecutive Earnings Computation Periods during the last ten Earnings Computation Periods before the Participant's Retirement Date, or the date Service ceases, if earlier. If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

Fund - The fund or funds established by separate written agreement between the Commissioners and an insurance company and/or the Trustee for the purpose of accumulating contributions and paying the benefits described in this Plan.

Government Employer - The State of Maryland, as well as any political subdivision within the State of Maryland, other than the Employer.

Government Employer Retirement Plan - A retirement plan which is sponsored by the State of Maryland, or any municipality or political subdivision within the State of Maryland to which the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute, apply

Leased Employee - Any individual who performs services for the Employer such that:

(A) the services are provided pursuant to an agreement between the Employer and any leasing organization.

(B) the individual has performed such services for the Employer on a substantially full-time basis for a period of at least one year; and

(C) the services are performed under the primary direction or control of the Employer.

For the purposes of item (B) above, an individual is considered to have performed services on a substantially full-time basis for a period of at least one year if, during any consecutive 12-month period, he or she has performed at least 1,500 hours of service for the Employer or 75% of the hours that are customarily performed by the Employer's Employees in that particular position.

Military Service - Active military duty in the Armed Forces of the United States on account of which a Participant is not eligible to receive a military pension, unless such pension is awarded on account of the Participant's disability.

Non-Public Safety Participant - An Employee who is a Participant, but who is not a Public Safety Participant.

Normal Retirement Date -

A Public Safety Participant will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (A) the Participant's 60th birthday, or (B) the later of: (1) the date the Participant completes 25 Years of Service, or (2) the Participant's Termination Date.

A Non-Public Safety Participant will reach Normal Retirement Date on the earliest of the following dates:

(C) For benefit eligibility and vesting purposes, the date on which an actively employed Participant: (1) attains age 60, and (2) completes 20 Years of Service.

(D) For benefit eligibility and vesting purposes, the date on which an actively employed Participant: (1) attains age 62, and (2) completes five Years of Service.

(E) If a Participant was a participant in the Plan prior to July 1, 1977, the Participant will reach Normal Retirement Date, for all purposes, upon the Participant's 60th birthday, in accordance with the provisions of the Plan in effect prior to July 1, 1977.

(F) A Dual Service Participant will reach a Normal Retirement Date determined pursuant to whichever subsection (A), (B), (C), (D) or (E) of this definition of Normal Retirement Date applies, based upon the Participant's status as a Public Safety Participant or Non-Public Safety Participant on the Participant's Termination Date. Notwithstanding the foregoing, if the Dual Service Participant earned less than ten Years of Service as a Public Safety Participant as of the Participant's Termination Date, the Participant will be deemed to be a Non-Public Safety Participant for purposes of determining the Participant's Normal Retirement Date.

For all purposes under the Plan other than for purposes of determining a Participant's eligibility for benefits and Vesting Percentage, a Participant's Normal Retirement Date will occur on the first day of the month coincident with or next following the date the Participant would otherwise reach a Normal Retirement Date pursuant to (A), (B), (C) (D), (E) or (F) above, as applicable.

Participant - Any Employee who becomes covered under this Plan. The term "Participant" shall include both "Public Safety Participants" and "Non-Public Safety Participants."

Plan Administrator - The committee or individual appointed by the Commissioners to carry out the functions enumerated in Section 12 of this Plan.

Plan Year - The period of 12 consecutive months commencing on each July 1.

Public Safety Participant - An Employee who (A) is a Participant, (B) is employed by the Employer as a Paramedic or an Emergency Medical Technician, and (C) either (1) made an irrevocable election effective July 1, 2004 to be treated as a "Public Safety Participant," for purposes of the Plan or (2) commenced Service with the Employer on or after July 1, 2004.

Rate of Earnings - The rate of annual basic Earnings paid to the Participant for Service for the Employer on the applicable July 1. Notwithstanding the foregoing, the Rate of Earnings of a Participant who is or was on a leave of absence for Military Service shall be the Rate of Earnings the Participant would have been paid had the Participant not been absent from Service, provided the Participant resumes employment with the County within one year of discharge from Military Service, unless the Participant dies or incurs a Disability while on a leave of absence for Military Service, in which case the benefits payable pursuant to Section 5 or Section 8 will be payable, as applicable.

Remuneration - The Participant's wages, salaries, professional service fees and other amounts received for personal services actually rendered in the course of employment with the Employer, but not including: (A) non-taxable employer contributions under, or distributions (whether or not taxable) from, a deferred compensation plan, other than taxable payments received (by the Participant) under an unfunded, non-qualified plan, (B) employer contributions under a simplified employee pension plan and (C) other amounts which receive special tax benefits.

Retirement Date - The first day for which payment of a Participant's retirement income is to commence, as determined in accordance with the further terms of the Plan.

Service - The continuous employment by an Employee with the Employer. Notwithstanding the foregoing:

(A) Absence from employment on account of leave of absence authorized by the Employer pursuant to the Employer's established leave policy will be counted as continuous employment with the Employer provided that such leave of absence is of not more than two years' duration and provided further that the Employee returns to active Service with the Employer at the end of such leave of absence. The Employer's

leave policy shall be applied in a uniform and nondiscriminatory manner to all Participants under similar circumstances.

(B) Subject to Section 6.2(E), if a Participant incurs an unpaid leave of absence on account of Military Service, the Participant shall receive credit for Years of Service for the period of such unpaid leave of absence to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), or any other law, provided the Participant satisfies all conditions for such service in accordance with the provisions of USERRA or other applicable law.

(C) For an elected official, the term Service means aggregate employment with the Employer. However, if such official becomes covered under this Plan, his Termination of Employment subsequently occurs, and he is thereafter re-employed by the Employer, any prior period of employment will not be included as Service unless he is reinstated in accordance with the terms of Section 3.2. Notwithstanding the foregoing, in no event will any periods of employment that precede a break in employment of at least eight years be counted as Service.

Sheriff's Office Plan - The Charles County Sheriff's Office Retirement Plan, as amended from time to time.

Spouse - The husband or wife of a Participant, married in a union recognized as "marriage" by the State of Maryland, or by the state or country in which the ceremony was performed, as of the Participant's Retirement Date or date of death, if earlier.

Termination Date - The date of the first to occur of: (A) a termination of employment by reason of resignation, discharge, mutual agreement, Disability, retirement or death; (B) the date on which a leave of absence expires without a return to active employment; or (C) the date on which the individual ceases to be employed by the Employer.

Trustee - Collectively, the trustee or trustees named in the trust agreement and such successor and/or additional trustees as may be named pursuant to the terms of the trust agreement.

Vesting Percentage - With respect to a Non-Public Safety Participant who became an Employee prior to July 1, 1997, the percentage which may be applied to a Non-Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 2 years | 0% |
| 2 years | 25% |
| 3 years | 50% |
| 4 years | 75% |
| 5 years or more | 100% |

With respect to a Non-Public Safety Participant who became an Employee on or after July 1, 1997, the percentage which may be applied to the Non-Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 5 years | 0% |
| 5 years or more | 100% |

With respect to a Public Safety Participant who reaches a Termination Date prior to July 1, 2018, the percentage which may be applied to the Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 20 years | 0% |
| 20 years or more | 100% |

With respect to a Public Safety Participant who reaches a Termination Date on or after July 1, 2018, the percentage which may be applied to the Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 5 years | 0% |
| 5 years or more | 100% |

Notwithstanding the foregoing, schedules, when an actively employed Participant attains the applicable Normal Retirement Date described in this Section 2, the Participant's Vesting Percentage will be 100%, and further provided that if a Participant's job classification is transferred from the jurisdiction of the Employer to the

jurisdiction of the State of Maryland, his Vesting Percentage will be 100%. Further provided that a Participant is always 100% vested in the Employee Contributions Benefit.

Year of Service - Subject to Article VI, a twelve month period during which an Employee is employed by the Employer on a full-time basis for the entire year. Notwithstanding the foregoing, for purposes of determining (A) the amount of a Participant's retirement benefit pursuant to Section 4.1, (B) the Participant's eligibility to receive additional credit for earned but unused sick leave pursuant to Section 6.5, and (C) the eligibility of the Participant's spouse for a preretirement spouse benefit pursuant to Section 8.1, a "Year of Service" shall mean a twelve month period during which an Employee is employed by the Employer on a full-time basis for the entire year and is a Participant in the Plan for the entire year.

PARTICIPATION - SECTION 3

3.1 Eligibility for Participation

Except as otherwise provided below, an Employee's participation in this Plan and the agreement to make contributions hereunder, as described in Section 7.4, is mandatory as a condition of employment with the Employer.

(A) Continuing Participation

Each individual who was a Participant in this Plan on June 30, 2018 and who had not previously reached a Termination Date, will continue to be a Participant in this Plan on and after July 1, 2018.

(B) Mandatory Participation

Except as provided in Section 3.1(C) and (D), every other individual, who is or becomes an Employee in an Eligible Class on and after July 1, 2018, shall become a Participant in the Plan as a condition of his or her employment. Such participation shall become effective on the first day of the month following the date the Employee first performs Service as an Employee. No individual shall become a Participant, however if the individual is not an Employee in an Eligible Class on the date his or her participation is to begin.

(C) Voluntary Participation

An individual who is an elected official of the County on his or her first day of Service for the County may elect to participate in the Plan; participation in the Plan is not a condition of his or her employment. The election to participate shall become effective on the first day of the month following the date the elected official first performs Service for the County.

(D) Later Election to Participate - Eligibility Prior to 1992

Each Employee in the employ of the Employer who was eligible to participate in the Plan prior to January 1, 1992, but who had not yet elected to become a Participant hereunder shall be given the opportunity to make an election to participate. The election period shall be the first Monday in November through and including the third Monday in November. If such an Employee makes an election to participate in the Plan, in no event may he or she later change, revoke or modify such election. Such participation shall become effective on the first day of the month following the date the Employee completes the election to participate. No individual shall become a Participant,

however if he or she is not an Employee in an Eligible Class on the date his or her participation is to begin.

3.2 Re-Employment

(A) Re-Employment as Elected Official

If a Participant whose Termination of Service has occurred is re-employed in the Eligible Class within eight years following his Termination of Service and is re-employed by the County as an elected official, the normal retirement income as determined in Section 4, and the Service which had been accrued by him at the time of his prior Termination shall be reinstated upon such re-employment provided that he then meets the following requirements:

(1) At or after such Termination, he did not elect a refund of his Employee Contributions Benefit; and

(2) He elects to again make employee contributions under this Plan within 31 days of such re-employment; and

(3) He has not attained his Normal Retirement Date prior to such re-employment.

(B) Re-Employment in an Eligible Class (other than Elected Official)

Subject to Section 6.2, an Employee whose Service for the Employer ceases, but who is subsequently re-employed by the Employer in an Eligible Class on a date which is more than twelve months following the date the Participant ceased to be employed by the Employer, shall be considered a new Employee for the purposes of this Plan. However, an Employee whose Service for the Employer ceases, but who is subsequently re-employed by the Employer in an Eligible Class on a date which is twelve months or less following the date the Participant ceased to be employed by the Employer, shall not be considered a new Employee for the purposes of this Plan. In no event will an Employee forfeit any previously Accrued Benefit if he does not elect to receive a refund of his Employee Contributions Benefit during the cessation of Service.

(C) Re-Employment by Employer

Effective July 1, 1997, the annual retirement income of a Participant who: (1) ceased to be employed by the Employer, (2) began receiving benefit payments pursuant to this Plan and (3) was re-employed by the Employer on a date which is more than twelve months following the date the Participant ceased to be employed by the Employer, shall be adjusted so that the benefit earned during the period of the

Participant's re-employment shall not exceed the Participant's Employee Contributions Benefit earned during the period of re-employment.

3.3 Change of Employment Category

If a Participant ceases to be employed by the Employer in an Eligible Class, but continues in the employ of the Employer, the Participant's Service shall be deemed to have ceased for purposes of this Plan.

NORMAL RETIREMENT INCOME - SECTION 4

4.1 Normal Retirement Benefit

(A) General Provisions

Except as otherwise provided in this Section 4, a Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her Normal Retirement Date shall be entitled to receive an annual, level retirement income, beginning with the first day of the month coincident with or otherwise next following his or her Retirement Date and continuing for the remainder of his or her life.

(B) Minimum Benefit

If a Participant who receives benefits in the Modified Cash Refund Form pursuant to this Section 4.1, and does not elect an optional form of benefit under Section 10, dies before receiving payments equal in value to the Participant's Employee Contributions Benefit, determined at the time of his or her Termination Date, the balance of the value of the Participant's accumulated contributions shall be paid to his or her Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 8.3.

(C) Amount of Benefit

Subject to the limitations set forth in Sections 4.5 and 6.2, the amount of the monthly retirement income shall be equal to the following:

(1) Non-Public Safety Participants

(a) 1.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant, plus

(b) 1.75% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of five Years of Service, but not in excess of ten Years of Service, plus

(c) 2.0% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of ten Years of Service, but not in excess of fifteen Years of Service, plus

(d) 2.25% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of fifteen Years of Service, but not in excess of twenty Years of Service, plus

(e) 2.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of twenty Years of Service.

(2) Public Safety Participant

(a) two percent multiplied by the Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Public Safety Participant, plus

(b) one percent, multiplied by the Public Safety Participant's Final Average Earnings, if the Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Public Safety Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(2)(b).

(3) Dual Service Participants

The annual retirement income for Dual Service Participants shall be calculated as follows:

(a) The annual retirement benefit determined pursuant to Section 4.1(C)(1) or 4.1(C)(2) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant or Non-Public Safety Participant at the time or times the Dual Service Participant changed status, determined on the basis of the Dual Service Participant's Final Average Earnings as if the Dual Service Participant's Retirement Date were the date of the change or changes in status as a Public Safety Participant or Non-Public Safety Participant, plus

(b) The annual retirement benefit determined pursuant to Section 4.1(C)(1) or 4.1(C)(2) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant or Non-Public Safety Participant as of the Dual Service Participant's Retirement Date, determined on the basis of the Dual Service Participant's Final Average Earnings as of the Participant's Retirement Date, plus

(c) The Dual Service Participant's credit for accrued sick leave, determined pursuant to Section 4.1(C)(2)(b) if the Dual Service Participant is a Public Safety Participant as of the Dual Service Participant's Termination Date, or determined pursuant to Section 6.5 if the Dual Service Participant is a Non-Public Safety Participant as of the Dual Service Participant's Termination Date.

(D) Maximum Benefit

(1) Notwithstanding the foregoing, in no event will a Non-Public Safety Participant's annual retirement income calculated pursuant to this Section 4.1(C)(1) as of the Non-Public Safety Participant's Retirement Date exceed 65% multiplied by the Non-Public Safety Participant's Final Average Earnings.

(2) Notwithstanding the foregoing, in no event will a Public Safety Participant's annual retirement income calculated pursuant to Section 4.1(C)(2) as of the Public Safety Participant's Retirement Date exceed 75% multiplied by the Public Safety Participant's Final Average Earnings.

4.2 Early Retirement Benefit

(A) A Participant may elect to retire on any date on or after the first date which qualifies as an Early Retirement Date, in which case the Termination Date shall be deemed to be the Participant's Early Retirement Date and the Participant shall be entitled to receive an annual early retirement benefit equal to the benefit computed pursuant to Section 4.1 (based upon the Participant's actual Years of Service and Final Average Earnings at his or her Early Retirement Date), but subject to actuarial reduction for payment prior to the date which would have been the Participant's Normal Retirement Date.

The actuarial reduction for these purposes shall be in accordance with Table I, attached hereto and incorporated into this Plan by reference.

Early retirement benefits shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date, unless the Participant elects to have his or her benefits commence on the first day of any prior month coincident with or following his or her Early Retirement Date.

The benefits payable pursuant to this Section 4.2 shall be payable in the normal form provided by Section 4.1, unless an optional form of payment has been elected pursuant to Section 10.

(B) "Normal Retirement Date" shall mean the Participant's Normal Retirement Date determined pursuant to Section 2; provided, however, solely for purposes of

determining the amount of the actuarial reduction applicable to the Participant's monthly benefit, if the Participant has both attained age 52 and completed at least 20 Years of Service at his or her Early Retirement Date and Termination Date, the Participant's Normal Retirement Date shall be deemed to be the date the Participant will attain age 60. With respect to a Participant who continuously has been a Participant in the Plan and an Employee of the County since a date prior to July 1, 1977, the Participant's Normal Retirement Date shall be deemed to be the date the Participant will attain age 60.

(C) Notwithstanding the foregoing Section 4.2(B), the actuarial reduction for these purposes with respect to a Non-Public Safety Participant who reaches an Early Retirement Date on or after January 29, 2010 and has received credit for at least 25 Years of Service, excluding service credited pursuant to Sections 6.2(E)(2) and Section 6.5, shall be equal to 0.25% per month (3% per year), for each month the Non-Public Safety Participant's Early Retirement Date precedes the Non-Public Safety Participant's Normal Retirement Date, in accordance with Table III, attached hereto and incorporated into this Plan by reference.

4.3 Delayed Retirement

In the event a Participant remains employed by the Employer in an Eligible Class after reaching his or her Normal Retirement Date, then, subject to the limitations set forth in Section 4.5, and except as otherwise provided in Section 9.5, the Participant shall be entitled to receive, commencing on the first day of the month coincident with or otherwise next following his or her Termination Date, the greater of the following:

(A) The benefit to which he or she would have been entitled pursuant to Section 4.1 if he or she had retired on the applicable Normal Retirement Date, but based only on the Participant's Years of Service at his Normal Retirement Date and Final Average Earnings determined as of his Normal Retirement Date and adjusted by multiplying the appropriate late retirement adjustment factor set forth in Table II, attached hereto and incorporated into this Plan by reference, or

(B) The benefit to which he or she would be entitled pursuant to Section 4.1, but adjusted by including any additional Years of Service which have accrued since the Participant's Normal Retirement Date and by taking into account any increases in Final Average Earnings which may be generated by increases in Compensation earned since the Participant's Normal Retirement Date.

4.4 Other Terminations of Employment

(A) If a Participant reaches a Termination Date before reaching an Early or Normal Retirement Date, or for reasons other than death, the Participant may elect to receive a Cash-Out of his or her Employee Contributions Benefit, as provided in Section 10.4 in

which case such Cash-Out shall be made within an administratively reasonable period of time following the Participant's Termination Date and the Participant's election.

(B) Alternatively, each Participant who reaches a Termination Date before reaching an Early or Normal Retirement Date or for reason other than death will be eligible to receive a vested retirement income commencing upon his Normal Retirement Date, provided the Participant's Vested Percentage is greater than 0% and he or she did not elect to receive a Cash-Out of the Employee Contributions Benefit.

At any time within the 10-year period immediately preceding his or her Normal Retirement Date, a Participant may instead elect to receive retirement income commencing on the first day of any month following the date the election is made, provided he has completed five Years of Service. Such election must specify the date the retirement income will commence.

The yearly amount of vested retirement income payable to such Participant will be equal to the amount described in Section 4 as in effect on his Termination Date, based on the Years of Service earned through the date of the Participant's Termination Date, and then adjusted by

(1) multiplying by the Participant's Vesting Percentage, and

(2) multiplying by the appropriate early retirement Adjustment Factor set forth in Table I.

4.5 Maximum Limitation on Benefits

Notwithstanding any Plan provisions to the contrary:

(A) To the extent necessary to prevent disqualification under Code section 415, and subject to the remainder of this Section 4.5, the maximum monthly benefit to which any Participant may be entitled at any time (the "Maximum Benefit") shall be equal to one-twelfth ($1/12^{\text{th}}$) of the amount set forth in Code section 415(b)(1)(A), as adjusted by C/L Increases, (the "Monthly Dollar Limit"). The rate of benefit accrual shall be frozen or reduced accordingly to comply with the limitations.

(B) The Dollar Limit shall be subject to actuarial adjustment as follows:

(1) If the benefit is payable in any form other than a single life annuity or a qualified joint and survivor annuity (as defined for purposes of Code section 415), the Maximum Benefit shall be reduced so that it is the Actuarial Equivalent of the single life annuity.

(2) (i) With respect to a benefit beginning before age 62, the Dollar Limit shall be reduced to the Actuarial Equivalent of a Dollar Limit applicable to a benefit beginning at age 62.

(ii) Notwithstanding the foregoing, however, in no event shall the monthly dollar limit applicable to benefits beginning before age 62 be reduced for purposes of this Section 4.5 for Participants who have been credited with at least 15 Years of Service:

- a. As a full-time employee of the Employer in a position providing police protection or emergency medical services;
- b. In Military Service; or
- c. In a combination of a. and b., above.

(3) With respect to a benefit beginning after age 65, the Monthly Dollar Limit shall be increased so that it is the Actuarial Equivalent of a Monthly Dollar Limit applicable to a benefit beginning at age 65.

(4) For purposes of this Section 4.5(B), "Actuarial Equivalent" shall be as defined as a form of benefit differing in time, period or manner of payment from a specific benefit provided under the Plan, but having the same value when computed based upon the following:

1983 Group Annuity Mortality Table (50/50)
5% per annum interest rate

(C) The Monthly Dollar Limit shall be reduced (but not by more than 90%) by 1/10th for each Year of Service less than ten, considering only those Years of Service during any part of which the Participant was participating in the Plan (including those periods for which the Participant elected to transfer service pursuant to Section 6.2).

(D) "Limitation Year" shall be defined as the calendar year, except as otherwise provided by adoption of a written resolution by the County.

(E) In addition to the foregoing, the Maximum Benefit shall be reduced, and the rate of benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent disqualification of the Plan under Code section 415 with respect to any Participant who is also a Participant in: (1) any other tax-qualified pension plan maintained by the County, including a defined benefit plan in which an individual medical benefit account (as described in Code section 415(l)) has been established for the Participant; (2) any welfare plan maintained by the County in which a separate account (as described in Code section 419A(d)) has been established in the name of the Participant to provide post-retirement medical benefits; and/or (3) any retirement or welfare plan, as

aforesaid, maintained by a related employer, as described in Code section 414(b), (c), (m) or (o).

(F) Applicable Mortality Tables.

(1) This subsection shall apply to distributions with annuity starting dates on or after December 31, 2002.

(2) Notwithstanding any other plan provisions to the contrary, the applicable mortality table used for purposes of adjusting any benefit or limitation under Code section 415(b)(2)(B), (C), or (D) as set forth in Section 4.5 of the Plan is the table prescribed in Revenue Ruling 2001-62.

(3) For any distribution with an annuity starting date on or after the effective date of this section and before the adoption date of this section, if application of the amendment as of the annuity starting date would have caused a reduction in the amount of any distribution, such reduction is not reflected in any payment made before the adoption date of this section. However, the amount of any such reduction that is required under 415(b)(2)(B) must be reflected actuarially over any remaining payments to the Participant.

4.6 Cost of Living Adjustment

(A) Amount of Adjustment - Subject to the limitations set forth in Section 4.5, the annual retirement income, as otherwise computed pursuant to Section 4.1, of any Participant shall be subject to a cost of living adjustment whereby, as of each May 1 (the "Valuation Date") which occurs during the period beginning on the first Valuation Date occurring at least 12 months subsequent to the Participant's Benefit Commencement Date and ending on the last day as of which benefits are paid to either the Participant or his or her Beneficiary, the Participant's then annual retirement income shall be multiplied by a fraction, the numerator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding such Valuation Date, and the denominator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding the immediately preceding Valuation Date; provided, however, that no such cost of living adjustment shall cause a Participant's annual retirement income as of any May 1 to increase more than four percent over the annual retirement income payable as of the preceding May 1.

(B) Decrease in Consumer Price Index: No Benefit Decrease; Offset in Subsequent Years - If the Consumer Price Index decreases between the Valuation Dates described in subsection 4.6(A), the Participant's or Beneficiary's annual retirement income beginning on the following May 1 ("Year 1") shall not decrease and shall be equal to the annual retirement income determined for the preceding year. For the next following year beginning May 1 ("Year 2"), the Participant's annual retirement income shall be

determined in accordance with subsection 4.6(A), including the limitation of no increase in excess of four percent over the annual retirement income payable as of the preceding May 1. The adjusted annual retirement income will then be reduced by the amount the Participant's annual retirement income would have decreased for Year 1 but for the provisions of this subsection 4.6(B) (the "offset"), but not below the annual retirement income paid in Year 1. The maximum offset to be applied for any one year will not exceed the lesser of: (1) the decrease in the Consumer Price Index between the Valuation Dates described in 4.6(A), or (2) four percent. If the offset to the annual retirement income in Year 2 would cause the Participant's or Beneficiary's annual retirement to decrease below the annual retirement income paid in Year 1, the remaining amount of the offset will continue to be applied against the adjustment calculated for subsequent years until the offset is fully recovered.

(C) Consumer Price Index - The Consumer Price Index to be used in the index for all urban consumers (CPI-U, all items (1967=100), published by the Bureau of Labor Statistics; and the CPI-U as of any Valuation Date means the index reading on the last day of January preceding such Valuation Date. In the event the Bureau of Labor Statistics abandons publication of the CPI-U, the County shall adopt any other index which, in its judgment, provides an accurate measure of cost-of-living changes.

(D) Notwithstanding Section 1.2 of the Plan, the annual retirement income of a Participant who retired prior to July 1, 1997 and whose annual adjustments for cost of living were limited so as not to cause the Participant's annual retirement income, as determined at the time of the Participant's Retirement Date, to increase by more than 150% shall be adjusted, if necessary, effective May 1, 1998, to take into account that the cost of living adjustment limitation of 150% was removed effective July 1, 1997.

4.7 Early Retirement Incentive Program

(A) Definitions: The following terms, as used for purposes of this Section 4.7 shall have the following meanings:

(1) "Bridged Age" means the Eligible Participant's actual age as of the Eligible Participant's Special Retirement Date, plus the lesser of: (a) three years, or (b) the number of years and/or partial years necessary for the Eligible Participant to reach the Eligible Participant's Normal Retirement Date determined pursuant to Section 2.

(2) "Bridged Years of Service" means the Eligible Participant's Years of Service credited pursuant to Section 6 as of the Eligible Participant's Special Retirement Date, plus the lesser of: (a) three Years of Service, or (b) the number of Years of Service and/or partial Years of Service necessary for the Eligible Participant to earn the maximum retirement benefit determined pursuant to

Section 4.1(D). Bridged Years of Service are used to increase the Eligible Participant's Years of Service in the eligibility for and the calculation of the early retirement adjustment factor in Section 4.2(B), but not Section 4.2(C).

(3) "Eligible Participant" means a Non-Public Safety Participant in the Plan who:

(a) Has earned at least five full, continuous Years of Service as an Employee of the County and has a Vesting Percentage of 100% as of the Eligible Participant's Special Retirement Date; and

(b) Elects to receive the Special Retirement Benefit pursuant to this Section 4.7 and in accordance with procedures established by the County; and

(c) Is an Employee in an Eligible Class (other than as a Public Safety Participant) on the Special Retirement Date; and

(d) Would reach an Early Retirement Date or Normal Retirement Date determined in accordance with Section 2 on or prior to July 31, 2010, assuming continuous employment by the County as an Employee in an Eligible Class until July 31, 2010.

(4) "Special Retirement Date" means one of the following dates, as elected by the Eligible Participant, as a Termination Date:

- (a) January 29, 2010
- (b) March 31, 2010
- (c) July 16, 2010

(B) Special Retirement Benefit. Subject to the limitations set forth in Section 4.5, the amount of the monthly retirement income shall be equal to the benefit determined pursuant to Section 4.1, 4.2, or 4.3(B), as applicable, using the Eligible Participant's Bridged Age and Bridged Years of Service as of the Eligible Participant's Special Retirement Date. Final Average Earnings shall be determined in accordance with the definition of "Final Average Earnings" in Section 2. The Eligible Participant's benefit shall be recalculated, if necessary, in accordance with Section 6.2(C) (pertaining to retirement within five years of transferring service.)

(C) Timing and Form of Payment of Special Retirement Benefit. An Eligible Participant shall be entitled to receive a retirement benefit with a Benefit Commencement Date effective as of the first day of the month following the Eligible Participant's Special Retirement Date, subject to the Eligible Participant's right to defer

the Benefit Commencement Date to the Eligible Participant's Normal Retirement Date. Unless otherwise elected by the Eligible Participant in accordance with Section 9, the benefit payable to an Eligible Participant shall be paid in the normal form of a monthly retirement income, described in Section 9.1, continuing for the remainder of the Eligible Participant's life. Upon the Eligible Participant's death, the Eligible Participant's Beneficiary shall receive a lump sum benefit equal to the excess, if any, of the Actuarial Equivalent of the Eligible Participant's Employee Contributions Benefit over the total of the payments made from the Plan to the Eligible Participant prior to the Eligible Participant's death.

(D) No Suspension of Pick-Up Contributions. An Eligible Participant's contributions made pursuant to Section 7.4 shall not be suspended for the period between the Eligible Participant's election of a Special Retirement Date and the Participant's Special Retirement Date.

(E) Death of Eligible Participant. In the event of the death of an Eligible Participant between the Eligible Participant's valid election of a Special Retirement Date and the Eligible Participant's Special Retirement Date, the Eligible Participant shall be deemed to have survived until his or her Special Retirement Date and died the following day.

(F) Limitation of Application. An Eligible Participant's Bridged Age and Bridged Years of Service shall be used under this Plan exclusively for the purposes of determining the Eligible Participant's Special Retirement Benefit pursuant to this Section 4.7.

DISABILITY BENEFITS - SECTION 5

5.1 Disability Benefits - The Plan shall pay disability retirement benefits to Public Safety Participants determined in accordance with the following provisions:

(A) Line of Duty Total and Permanent Disability: If a Public Safety Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Total and Permanent Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) 66-2/3%, multiplied by the Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amounts the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Total and Permanent Disability, plus

(c) amounts received by the Public Safety Participant by virtue of participation in any long term disability plan sponsored by the Employer, subject to coordination of benefits pursuant to the long term disability plan, such that the Public Safety Participant receives prorated benefits from both this Plan and the long term disability plan, plus

(d) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the position or rank and grade, if applicable, in which the Public Safety Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(B) Line of Duty Permanent Partial Disability: If a Public Safety Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Permanent Partial Disability, incurred as a result of an accident or injury

which has been determined to have been sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 50%, multiplied by the Public Safety Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Permanent Partial Disability, plus

(c) amounts received by the Public Safety Participant by virtue of participation in any long term disability plan sponsored by the Employer, subject to coordination of benefits pursuant to the long term disability plan, such that the Public Safety Participant receives prorated benefits from both this Plan and the long term disability plan, plus

(d) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the position or rank and grade, if applicable, in which the Public Safety Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(C) Non-Line of Duty Total and Permanent Disability: If a Public Safety Participant reaches a Termination Date by reason of a Total and Permanent Disability, after earning at least five Years of Service, and the Total and Permanent Disability was not sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Public Safety

Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Total and Permanent Disability, plus

(c) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the Eligible Class and the rank and grade in which the Public Safety Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Public Safety Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

(D) Non-Line of Duty Permanent Partial Disability: If a Public Safety Participant reaches a Termination Date by reason of a Permanent Partial Disability, after earning at least five Years of Service, and the Permanent Partial Disability was not sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Public Safety Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Permanent Partial Disability, plus

(c) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the Eligible Class and the rank and grade in which the Public Safety Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Public Safety Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

Notwithstanding the foregoing, a Disability which is not a Total and Permanent Disability and which is not sustained in the line of duty, shall not be deemed to be a Permanent Partial Disability unless it is determined to be a Catastrophic Disability.

5.2 General Provisions Pertaining to All Disability Benefits

(A) Unless otherwise required by law, disability benefits shall not be payable on account of any injury or disease which:

(1) Resulted from or consists of stress, chronic alcoholism or addiction to narcotics;

(2) Was contracted, suffered or incurred while the Public Safety Participant was engaged in, or resulted from his or her having engaged in, a felonious act; or

(3) Was intentionally self-inflicted.

(B) Definitions: For purposes of this Section 5 and interpretations of this Section 5, the following terms shall have the meanings set forth below:

(1) "Blindness" means, at a minimum, a physician's diagnosis of blindness within the meaning of Code section 63(f)(4), or any successor statute.

(2) "Catastrophic disability" means 100% loss of use of a limb, total loss of hearing in both ears, or Blindness.

(3) "Disability" means the Total and Permanent Disability or Permanent Partial Disability of a Public Safety Participant.

(4) "Disability Review Board" means the Committee appointed by the Commissioners as a named fiduciary of the Plan in accordance with Section 11 to determine Public Safety Participants' entitlement to disability benefits under this Plan.

(5) "Permanent Partial Disability" means a medically determinable physical or mental impairment which can be expected to be permanent or result in death, and by reason of which the Public Safety Participant will be prevented from performing the essential requirements of his or her position with the Employer.

(6) "Total and Permanent Disability" means a medically determinable physical or mental impairment which can be expected to be permanent or result in death, and by reason of which the Public Safety Participant will be prevented from performing the usual duties of any occupation for gainful employment.

(C) In the event a Public Safety Participant sustains a Disability during qualified military service, within the meaning of Section 414(u) of the Code, in accordance with the definition of "Rate of Earnings," the Public Safety Participant will be eligible for either Non-Line of Duty Total and Permanent Disability benefits or Non-Line of Duty Permanent Partial Disability benefits.

5.3 General Provisions Pertaining Solely to Line of Duty Disability Benefits

Unless otherwise required by law, disability benefits shall not be payable on account of a disability which is the natural and proximate result of, or an aggravation of, a physical or mental condition which existed at the time the Public Safety Participant commenced Service in an Eligible Class.

CREDITED SERVICE - SECTION 6

6.1 Credit for Service

Except as otherwise provided in this Section 6 or in Section 3, a Participant will receive credit only for Years of Service.

6.2 Credit for Service With Other Employers

(A) Transfer of Credited Service - From Another Government Employer

(1) Conditions for Transfer

A Participant may elect to receive credit for service (whether or not it would be considered a Year of Service under this Plan had it been performed for the Employer) transferred from another Government Employer provided there is no break in employment between the Participant's employment with such other Government Employer and commencement of Service for the Employer but only to the extent and under the conditions the Plan is required to permit the Employee to make such an election under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute.

(2) Amount of Credited Service

For service transferred pursuant to Section 6.2(A)(1), the Participant shall receive credit for Years of Service to the extent required under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

(B) Transfer of Credited Service for County

(1) Conditions for Transfer

A Participant may elect to receive credit for service (whether or not it would be considered a Year of Service under this Plan) previously credited to the Participant under the Sheriff's Office Plan, provided: (a) there is no break in employment between the Participant's employment under which the Employee was eligible to participate in the Sheriff's Office Plan and the Participant's employment for the Employer in an Eligible Class, (b) the Sheriff's Office Plan provides for the transfer of credit for service and funds to this Plan, and (c) there is a complete forfeiture of benefits and service credits under the Sheriff's Office Plan.

Credit for Years of Service shall be granted to any Participant who irrevocably elects, within the later of: (a) one year of first performing Service as an

Employee in an Eligible Class or (b) 90 days after June 25, 1996, to transfer to this Plan the present value of the Participant's accrued benefit under the Sheriff's Office Plan, including the amount of any Participant contributions made to the Sheriff's Office Plan, together with interest previously credited by the Sheriff's Office Plan. If such service is transferred and recognized under the Plan, the number of Years of Service credited and the amount of the benefit payable to the Participant pursuant to Sections 4.1 shall be adjusted to reflect the transfer.

For service transferred pursuant to Section 6.2(B)(1), the Participant shall receive credit for Years of Service to the extent required under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute.

(C) Retirement Within Five Years of Service Transfer

Notwithstanding any other provision of this Section 6.2, other than this Section 6.2(C), if a Participant retires (within the meaning of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute) within five years after the date of transferring into this Plan pursuant to any provision of this Section 6.2, the portion of the Participant's Accrued Benefit payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the other Government Employer Retirement Plan or the Sheriff's Office Plan with respect to that service if the Participant had remained a participant in the other Government Employer Retirement Plan or in the Sheriff's Office Plan.

(D) Transfers of Credited Service to Other Plans

If a Participant terminates employment for the Employer in an Eligible Class, but either: (1) remains an Employee and becomes a Participant in the Sheriff's Office Plan, or (2) ceases to be an Employee, but becomes an employee of a Government Employer and becomes eligible to participate in a Government Employer Retirement Plan, the Participant may elect to transfer service earned under this Plan to such other Government Employer Retirement Plan.

(E) Military Service

(1) If a Participant's service with the Employer is interrupted by Military Service, the Participant will receive credit for Years of Service to the extent of the amount of Military Service (to a maximum of five Years of Service with respect to a Non-Public Safety Participant and to a maximum of three Years of Service with respect to a Public Safety Participant, unless a greater amount of service credit is required by law,) provided that the Participant resumes employment with the County within one year of discharge

from Military Service, and provided the Participant repays to the Plan the amount of any Cash-Out, made to the Participant on account of the Participant's Military Service, plus interest compounded monthly at the rate of 7.25% per year.

(2) If a Participant's Military Service precedes the date the Participant commenced Service for the Employer, the Participant may elect to receive credit for Years of Service to the extent of the amount of Military Service (to a maximum of three years) for purposes of determining the amount of the Participant's retirement benefit pursuant to Section 4.1, provided that the Participant earns 10 Years of Service other than with respect to credit received for Military Service.

(3) A Participant may not receive additional service credit for Military Service if the Participant is entitled to receive a benefit (except for disability benefits, Social Security benefits or benefits under the National Railroad Retirement, National Guard or military reserve) from another retirement system, on account of the Military Service.

Notwithstanding anything contained in this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

(F) Adjustments to Monthly Retirement Income

A Participant's monthly retirement income calculated pursuant to Section 4.1 shall be adjusted with respect to service transferred pursuant to Section 6.2(A). A Participant's monthly retirement income shall be reduced by the actuarial equivalent of the accumulated contributions that would have been deducted from the participant's compensation, plus interest, if the participant had earned the service transferred pursuant to Section 6.2(A) as a Participant. For purposes of this Section 6.2(F), the rate of interest shall equal the rate set forth in the definition of "Adjustment Factors" in Section II. The actuarial equivalent of the accumulated contributions will be determined using the Adjustment Factors set forth in Section II.

6.3 Purchase of Credited Service

A Participant's Years of Service will also include service credited in accordance with the following:

(A) Effective July 1, 1991, each Employee in the employ of the Employer who was eligible to participate in the Plan prior to July 1, 1991, but had not yet elected to become a Participant hereunder who, as of such date, had one or more years of non-participating Service was given a one-time option to elect to make a retroactive Participant's Special Contribution, together with Credited Interest thereon, in order to

buy back Service for the employment period attributable thereto. Such election was to have been completed on or before December 31, 1991. Any eligible Employee or Participant electing not to make such retroactive Participant's Special Contribution was to be required to sign a waiver stating that he declined the option.

Such Participant's Special Contribution was to be in an amount equal to 4% of the Employee's Earnings for the applicable employment period together with Credited Interest thereon.

(B) Effective November 1, 1987, a Participant who had attained his Normal Retirement Date prior to November 1, 1987 and who was in the employ of the Employer and in the Eligible Class on November 1, 1987, could elect to make a retroactive Participant's Special Contribution for the period commencing on his Normal Retirement and ending on October 31, 1987. Such Participant's Special Contribution was to be in the amount of 4% of the Participant's Earnings during the period commencing on his Normal Retirement Date and ending on October 31, 1987. Such election could be made at any time on or after November 1, 1987 and prior to May 1, 1988 or, if earlier, the Participant's Retirement Date.

(C) Effective January 1, 1982, a Participant who was hired prior to July 1, 1976 and who was not eligible to make Participant's Contributions during his first year of Service due to the eligibility conditions of the Plan at that time could elect to make a retroactive Participant's Special Contribution for such first year of Service. Such Participant's Special Contribution will be in an amount equal to 4% of the Participant's Earnings during such first year of Service. Such Participant's Special Contribution is listed opposite the Participant's name on Table III, attached hereto and incorporated into this Plan by reference.

(D) Effective July 1, 1975, an Employee who was hired prior to July 1, 1975 and who was not eligible to participate in the Plan due to eligibility conditions of the Plan in effect as of July 1, 1975, could elect to make a retroactive Participant's Special Contribution for the period of time dating from the date of the Employee's employment, including that Employee's first year of Service. Such Participant's Special Contribution was to be in an amount equal to 4% of the Employee's Earnings from the date of employment to the date of participation. Such Participant's Special Contribution is listed opposite the Participant's name on Table IV, attached hereto and incorporated into this Plan by reference.

6.4 Fractional Credit for Service

For purposes of determining: (A) whether a Participant has reached a Normal Retirement Date or Early Retirement Date, (B) the Participant's Vested Percentage or (C) the amount of a Participant's annual retirement income pursuant to Section 4, a

Participant shall receive fractional credit equal to 1/12th of a Year of Service for each calendar month during which the Participant was an Employee for at least one-half of the month.

6.5 Credit for Sick Leave: Non-Public Safety Participants

For purposes of determining the amount of a Participant's retirement income pursuant to Section 4.1, a Non-Public Safety Participant who has earned at least five Years of Service, without taking into account credit under this Section 6.5, may receive additional credit for earned but unused sick leave.

A Non-Public Safety Participant will receive credit for one month of Service for each 22 days of earned but unused sick leave credited to the Non-Public Safety Participant at the time of his termination of Service. If such earned but unused sick leave is reported in hours, the number of hours shall be divided by 7.5 to determine the number of days to be credited. If the number of days is not evenly divisible by 22, the number of months shall be rounded to the nearest full month. No more than 12 months of additional Service credit will be granted pursuant to this Section 6.5.

FUNDING OF BENEFITS - SECTION 7

7.1 Payment of Contributions

The funding of the Plan and payment of benefits hereunder shall be provided for through the medium of the Fund. The Fund shall accept transfer of funds from the Government Employer Retirement Plans and the Sheriff's Office Plan consistent with the elections made by Participants pursuant to Section 6.2 of the Plan. The County, from time to time, shall make contributions to the Fund in amounts determined, in accordance with generally accepted actuarial principles, to be sufficient to support the contributions required under Section 7.4, and the contributions and transfers made pursuant to Section 7.5, and to fund the benefits provided by the plan.

7.2 Disposition of Forfeitures

Any forfeiture arising under the provisions of the Plan shall be used to reduce the then current or future costs of funding the benefits provided in the Plan.

7.3 Actuarial Examination

The County shall, at least once every Plan Year, cause the liabilities of the Plan to be evaluated by a qualified actuary who shall report to the County as to the amount of the Fund assets in relation to the said liabilities and the amount of the annual County contribution sufficient to meet the requirements of Section 7.1.

7.4 Pick-Up Contributions

Under limited circumstances described below, Participant contributions and monies from other retirement plans may be transferred to the Fund.

(A) County Pick-Up Contributions

In accordance with rules established by the County, each Non-Public Safety Participant shall make contributions to the Plan equal to 4% of Earnings. In accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 7% of Earnings. The Participant contributions referred to in this Section 7.4 shall be picked up by the County, as described in Code section 414(h)(2), deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Fund with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The Participant will not have the option of choosing to receive the contributed amounts directly instead of having them paid directly by the County to the Plan. The contributions made pursuant to this Section 7.4 shall be made a

part of the Participant's Employee Contributions Benefit, and as such, a part of the Participant's Accrued Benefit.

(B) Suspension of Contributions

A Participant's salary reduction contributions shall be automatically suspended for any payroll period during which he or she is not employed as an Employee in an Eligible Class or during which the Employee is on an unpaid leave of absence. A Non-Public Safety Participant's salary reduction contributions shall automatically cease as of the first payroll period following the date the Non-Public Safety Participant has received credit for 31 Years of Service, exclusive of credit awarded pursuant to 6.5. Except as otherwise provided in this Section 7.4(B) or in this Plan, a Public Safety Participant's salary reduction contributions shall not cease until the Public Safety Participant reaches a Termination Date.

(C) Withdrawals of Pick-Up Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(D) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.4, then, the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(E) Vesting of Pick-Up Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions, picked up by the County and made or transferred to the Plan, shall be fully vested at all times.

(F) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(G) Plan Termination

In the event of a termination of the Plan, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund, other than those attributable to contributions made pursuant to Section 7.5

7.5 Other Participant Contributions

In accordance with Section 6.3 of this Plan, other Participant contributions may be accepted by the Plan.

(A) Characterization

The contributions made pursuant to this Section 7.5 shall be distinct from those made pursuant to Section 7.4 as to the character of such contributions. Whereas Section 7.4 contributions shall be classified as County contributions picked up from the pay of Participants, contributions made pursuant to this Section 7.5 shall be after-tax contributions either made directly by the Participant or, in some cases, transferred from a retirement plan sponsored by another government employer.

(B) Procedures

All Participant contributions or transfers made pursuant to this Section 7.5 shall be paid to the Fund or, in the case of Participant contributions made in the form of payroll deductions, withheld by the County and remitted to the Fund.

(C) Separate Accounting

Participant contributions, whether made directly or transferred from another retirement plan shall be made a part of the Participant's Employee Contributions Benefit, which shall be a part of the Accrued Benefit of the Participant.

(D) Withdrawals of Participant Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out of the Participant's Employee Contributions Benefit, by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(E) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.5, then the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(F) Vesting of Participant Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 7.5 shall be fully vested at all times.

(G) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(H) Plan Termination

In the event of a termination of the Plan, distribution of the portion of each Participant's Accrued Benefit attributable to Participant contributions shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund.

7.6 No Rollover or Transfer Contributions

Notwithstanding the provisions of Section 7.5, and except as otherwise may be required by Section 6.2, no Participant may cause this Plan to accept a rollover or transfer of funds from other qualified retirement plans, deferred compensation plans, tax deferred annuities or individual retirement accounts.

DEATH BENEFITS - SECTION 8

8.1 Preretirement Spouse Benefit

(A) Eligibility - Non-Public Safety Participant

Upon the death of a Non-Public Safety Participant prior to his or her Retirement Date or Normal Retirement Date, whichever is earlier, the Non-Public Safety Participant's Spouse will receive a Preretirement Spouse Benefit as described below, if all of the following applicable requirements were met on the date of the Non-Public Safety Participant's death:

(1) The Non-Public Safety Participant had not attained his or her Retirement Date or Normal Retirement Date, whichever is earlier,

(2) The Non-Public Safety Participant had been married to a Spouse for at least one year,

(3) The Non-Public Safety Participant had not terminated Service for the Employer in an Eligible Class,

(4) The Non-Public Safety Participant had attained age 55, and

(5) The Non-Public Safety Participant had completed five Years of Service including, for these purposes, service transferred pursuant to Section 6.2

(B) Amount of Benefit - Non-Public Safety Participant

The yearly amount of the Preretirement Spouse Benefit will be equal to 50% of the retirement income the Non-Public Safety Participant would have received in accordance with Section 4.1 of this Plan, based on Service earned as of the first day of the month on or next preceding the date of the Non-Public Safety Participant's death and without taking into account the actuarial reduction for payment prior to Normal Retirement Date.

If the surviving Spouse is ten or more years younger than the Non-Public Safety Participant, the benefit payable to the surviving Spouse will be reduced by one percent for each full year in excess of nine years that the surviving Spouse is younger than the Non-Public Safety Participant.

(C) Payment of Benefit - Non-Public Safety Participant

The Preretirement Spouse Benefit will be payable on a monthly basis and each payment will be equal to 1/12th of the annual benefit determined pursuant to Section 8.1(B). The initial monthly payment will be made as of the first day of the

month next following the Non-Public Safety Participant's death, with subsequent monthly payments being made as of the first day of the month thereafter, until the date of the Spouse's death.

When the final retirement income payment has been made under the Preretirement Spouse Benefit, the Non-Public Safety Participant's or Spouse's Beneficiary will receive a refund equal to the excess, if any, of (1) over (2), below, where:

"(1)" Is the Non-Public Safety Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death, and

"(2)" Is the sum of the retirement income payments.

However, no such refund will be paid if the Non-Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(D) Eligibility - Public Safety Participant

Upon the death of a Public Safety Participant prior to his or her Retirement Date or Normal Retirement Date, whichever is earlier, the Public Safety Participant's Spouse will receive a Preretirement Spouse Benefit as described below, if all of the following applicable requirements were met on the date of the Public Safety Participant's death:

(1) The Public Safety Participant had not attained his or her Retirement Date or Normal Retirement Date, whichever is earlier,

(2) The Public Safety Participant had been married to a Spouse for at least one year, and

(3) The Public Safety Participant had not terminated Service for the Employer in an Eligible Class.

Upon the death of a Public Safety Participant whose Spouse does not survive him or her, or in the event of the Spouse's death after the Public Safety Participant's death, each Dependent Child shall be eligible to have an equal share of the Public Safety Participant's Spouse Benefit provided for him or her.

(E) Amount of Benefit - Public Safety Participant

In the case of a Public Safety Participant whose death is directly related to an on-duty cause, the annual retirement income will be equal to 66-2/3% of the Public Safety Participant's Final Average Earnings, less any survivor benefits payable under the federal Social Security Act.

In the case of a Public Safety Participant whose death is not directly related to an on-duty cause, the yearly amount will be equal to 100% of the retirement income the Public Safety Participant would have received in accordance with Section 4.1 of this Plan, based on Service earned as of the first day of the month on or next preceding the date of the Public Safety Participant's death.

If the surviving Spouse is ten or more years younger than the Public Safety Participant, the benefit payable to the surviving Spouse will be reduced by one percent for each full year in excess of nine years that the surviving Spouse is younger than the Public Safety Participant.

If the Preretirement Spouse Benefit is to be provided to more than one Dependent Child, the benefit shall be divided equally among the Public Safety Participant's Dependent Children.

(F) Payment of Benefit – Public Safety Participant

The Preretirement Spouse Benefit will be payable on a monthly basis and each payment will be equal to 1/12th of the annual benefit. The initial monthly payment will be made as of the first day of the month next following the Public Safety Participant's or Spouse's death, as the case may be, with subsequent monthly payments being made as of the first day of the month thereafter, until the earlier of the following dates:

(1) The date of the Spouse's death, but only if the Public Safety Participant is not survived by Dependent Children,

(2) The date of the Spouse's remarriage, or

(3) The earlier of: (1) the date a Dependent Child receiving benefits ceases to qualify as a "Dependent Child" pursuant to Section 2, or (2) the date of such Dependent Child's death, but only with respect to payments being made to such Dependent Child.

When the final retirement income payment has been made under the Preretirement Spouse Benefit (including payments to Dependent Children, if any) the Public Safety Participant's Beneficiary will receive a refund equal to the excess, if any, of (1) over (2), below, where:

"(1)" Is the Public Safety Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Public Safety Participant's death, and

"(2)" Is the sum of the retirement income payments made through the date of the Public Safety Participant's death.

However, no such refund will be paid if the Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(G) Qualified Domestic Relations Orders

In the event that, as a result of implementation of a Qualified Domestic Relations Order, as defined in Code section 414(p), more than one individual is to be treated as the Spouse of a Participant for purposes of this Preretirement Spouse Benefit, the total amount that will be paid as a Preretirement Spouse Benefit to such individuals will not exceed the amount payable if there were only one Spouse.

8.2 Other Death Benefits

(A) Death Before Retirement Date – Non-Public Safety Participant

(1) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Non-Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Non-Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death. However, no such refund will be paid if the Non-Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(B) Death After Normal Retirement Date – Non-Public Safety Participant

(1) The preceding provisions of this Section 8 notwithstanding, if a Non-Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Non-Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) (a) If a Non-Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of the Non-Public Safety Participant's Employee

Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death.

(b) If a Non-Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Non-Public Safety Participant had reached a Termination Date on the day before his or her death, elected to receive payment of benefits in the form of a Contingent Pensioner Option with a 100% benefit continuing to the Non-Public Safety Participant's Spouse.

(C) Death Before Retirement Date - Public Safety Participant

(1) If a Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit together with interest computed thereon to the date of the Public Safety Participant's death. However, no such refund will be paid if the Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(D) Death After Normal Retirement Date - Public Safety Participant

(1) If a Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) In addition, if a Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's Beneficiary will receive a Cash-Out of the Public Safety Participant's

Employee Contributions Benefit together with interest computed thereon to the date of the Public Safety Participant's death.

(3) If a Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Public Safety Participant had reached a Termination Date on the day before his or her death and had elected to receive payment of benefits in the form of a Joint and Survivor Benefit Option with a 100% benefit continuing to the Public Safety Participant's Spouse.

8.3 Beneficiary

If a death benefit may become payable to a Beneficiary of a Participant, the Participant shall designate a Beneficiary and may change from time to time the designation of Beneficiary by filing a written notice with the Employer.

If a death benefit becomes payable upon the death of the Participant, and is not automatically paid to the surviving Spouse or children of the Participant pursuant to another provision of this Plan, it shall be paid to the Beneficiary most recently designated by the Participant, if then living. If a designated Beneficiary is not living at the time such a death benefit becomes payable, or if no Beneficiary has been designated, the death benefit shall be paid to the Participant's Spouse, if living; otherwise in equal shares to surviving children of the Participant; and in the event none of the these individuals survives the Participant, the death benefit shall be paid to the executor or administrator of the Participant's estate.

8.4 Death Benefits Following Disability

(A) If a Public Safety Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, one-half on the Public Safety Participant's annual disability retirement income will continue to be paid:

(1) To the Public Safety Participant's Spouse if the Public Safety Participant is married on the date of death, until the first day of the month preceding the earlier of: (a) the Spouse's death, or (b) the Spouse's remarriage prior to his or her attaining age 60, or

(2) If the Public Safety Participant is not married on the date of death, or if the Public Safety Participant's Spouse dies after beginning to receive the annual disability retirement income, but before all of the Public Safety Participant's Dependent Children attain age 18, the annual disability retirement income will be equally divided

among the Public Safety Participant's surviving children under the age of 18 and paid to the surviving children under the age of 18 until the youngest of the Dependent Children of the Public Safety Participant attains age 18. Payments to a surviving child of the Public Safety Participant will cease as of the first day of the month preceding such child's eighteenth birthday and the annual disability retirement income will then be paid to the remaining child or divided among the remaining children of the Public Safety Participant who is or are under the age of 18. Payment of the annual disability retirement income will continue until the first day of the month preceding the date the Public Safety Participant's youngest child attains age 18.

(B) If a Public Safety Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, and is not survived by either a Spouse or a least one child under the age of 18, no death benefits will be payable.

NORMAL FORM OF PAYMENT - SECTION 9

9.1 Normal Form of Payment - Modified Cash Refund

The normal form of payment is the Modified Cash Refund form. This form of payment provides that payments will be made to a Participant in a level amount during the Participant's lifetime. Upon the Participant's death, there will be paid to his or her Beneficiary an amount equal to the excess, if any, of the Participant's Employee Contributions Benefit, together with interest computed thereon to his or her Retirement Date, over the sum of all retirement income payments made to the Participant through the date of the Participant's death.

9.2 Optional Forms of Payment

In lieu of receiving retirement income payments in the Modified Cash Refund form, a Participant may elect to receive a benefit of equal value, as determined by application of the Adjustment Factors and based on one of the optional forms of payment provided in accordance with Section 10.

9.3 Election of Option

The Participant may elect or revoke an election to receive payment in an optional form during the 90-day period before his or her Retirement Date by filing a written election with the Employer. However, a Participant may not elect more than one option to be effective at one time. The Participant's election becomes irrevocable upon his or her Retirement Date. If a Participant elects an optional form of payment, the value of retirement income payable to the Participant, as determined by application of the Adjustment Factors, must be more than 50% of the value of retirement income payable to the Participant had the option not been elected, as determined by application of the Adjustment Factors, unless the alternate recipient is the Participant's Spouse.

9.4 Payment of Retirement Income to Participant

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

9.5 Minimum Distribution Requirements - Lifetime Benefits

Notwithstanding any other provision in the Plan to the contrary, distribution shall be made only in accordance with regulations prescribed by the Internal Revenue Service under Code section 401(a)(9). To the extent required thereby, distribution of benefits shall comply with the following limitations:

(A) Except as otherwise provided below, distribution shall begin not later than the calendar year (hereinafter referred to as the "Commencement Year") in which the Participant reaches age 70-1/2 or, if later, in which the Participant subsequently terminates Service. Distribution shall be made over the life of the Participant or the lives of the Participant and the Participant's Beneficiary, and/or over a period certain not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's Beneficiary, all as described in Treasury Regulation § 1.401(a)(9)-1, or, if shorter, the alternate period described in Treasury Regulation § 1.401(a)(9)-2.

(B) A required distribution shall be deemed to have been made during the Commencement Year if actually made by the following April 1, but such delayed distribution shall not change the amount of such distribution, and the distribution otherwise required during the subsequent calendar year shall be calculated as if the first distribution had been made on the last day of the Commencement Year.

(C) Benefits paid prior to the Commencement Year shall reduce the aggregate amount subject to (but shall not otherwise negate) the minimum distribution requirements described herein.

(D) Nothing contained in this Section 9.5 shall prevent distribution of annuity benefits providing for non-increasing payments (except as otherwise permitted in Treasury Regulation 1.401(a)(9)-1) payments beginning not later than the Commencement Year (except as provided in (C) above) and payable at least annually over a period permitted by this Section 9.5 (for which purpose, if benefit commencement under the annuity precedes the Commencement Year, each relevant life expectancy shall be based on the individual's attained age as of the birthday occurring in the calendar year in which benefit commencement occurs). Any benefits accruing after the Commencement Year shall be treated as a separate identifiable component distributable in accordance with this Section 9.5 beginning in the Payment Year following the year of accrual.

(E) If the provisions of this Section 9.5 require the commencement of benefits to a Participant who has not yet reached a Termination Date, distribution shall be made or commenced in accordance with this Section 9.5 as if the Participant had retired on the last day of the Commencement Year. However, notwithstanding the commencement of benefits pursuant to this Section 9.5, all other aspects of the Participant's Plan participation shall continue in accordance with the remaining provisions of the Plan. The equivalent value of any additional benefits which may accrue to the Participant pursuant to Section 4.3 after benefits have been paid or commenced by reason of this Section 9.5 shall increase the amount of periodic benefit payments being received by the Participant under the Plan.

(F) With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations under Section 401(a)(9) of the Code that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations promulgated under Section 401(a)(9) of the Code, or such other date as may be specified in guidance published by the Internal Revenue Service.

(G) Notwithstanding any other provision in the Plan to the contrary, distributions shall be made in accordance with a reasonable, good faith interpretation of Code section 401(a)(9).

9.6 Minimum Distribution Requirements - Death Benefits

All death benefits payable pursuant to this Plan shall be distributed only in accordance with regulations prescribed by the Internal Revenue Service under Code section 401(a)(9). To the extent required thereby, such benefits shall be distributed in full not later than the last day of the calendar year containing the fifth anniversary of the death of the Participant, except as follows:

(A) Unless the Participant or the Participant's Beneficiary irrevocably elects pursuant to any elective provision which may be then present in the Plan (which election must be made prior to the earliest date on which distribution would be otherwise required pursuant to this Section 9.6) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the Participant's Beneficiary, and which begin not later than the last day of the calendar year containing the first anniversary of the Participant's death, may be distributed over the life of the Beneficiary or a period certain not extending beyond the life expectancy of the Beneficiary, under a method of distribution which meets the requirements of Section 9.5 (but with life expectancy based upon the Beneficiary's attained age as of the Beneficiary's birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required to commence pursuant to this Section 9.6, or (ii) if earlier, the date on which annuity benefits actually commence).

(B) If the Participant's Beneficiary is a surviving Spouse, then, unless the Participant or the Participant's Spouse irrevocably elects pursuant to any elective provision which may be then present in the Plan (which election must be made prior to the earliest date on which distribution would be otherwise required pursuant to this Section 9.6) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the Spouse, and which begin not later than the later of the last day of the calendar year containing the first anniversary of the Participant's death, or the last day of the calendar year in which the Participant would have reached age 70-1/2, may be distributed over the life of the surviving Spouse or a period certain not extending beyond

the life expectancy of the surviving Spouse, under a method of distribution which meets the requirements of Section 9.5 (but with life expectancy based upon the Spouse's attained age as of the Spouse's birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required to commence pursuant to this Section 9.6, or (ii) if earlier, the date on which annuity benefits actually commence).

(C) If benefits are payable in accordance with Section 9.6(B), and the surviving Spouse dies after the Participant but prior to: (1) the date on which non-annuity benefits are required to commence pursuant to Section 9.6(B), or (2) the date on which annuity distributions meeting the requirements of Section 9.6(B) actually commence, then, in either case, the aforesaid five year limit, and the alternate limit set forth in Section 9.6(A), are to be applied as if the Spouse were the Participant, so that such limits shall be measured from the death of the Spouse.

(D) If annuity benefits meeting the requirements of Section 9.5 had commenced prior to the Participant's death, then the death benefits payable pursuant to this Plan may be distributed without regard to the aforesaid five year limit, but must be distributed to the Participant's Beneficiary at least as rapidly as they would have been under the pre-death method of distribution.

(E) Notwithstanding any other provision in the Plan to the contrary, distributions shall be made in accordance with a reasonable, good faith interpretation of Code section 401(a)(9).

9.7 RESERVED

9.8 TEFRA Transition Rule Election

Notwithstanding the other requirements of this Section 9, distribution on behalf of any Participant may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Plan is one which would not have disqualified such Plan under Code section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984;

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by the Participant's Beneficiary;

(C) Such designation was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984;

(D) The Participant had an Accrued Benefit under the Plan as of December 31, 1983; and

(E) The method of distribution designated by the Participant or the Beneficiary specifies: (1) the time at which distribution will commence, (2) the period over which distributions will commence and be made, and (3) in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority. The method of distribution selected must assure that at least 50% of the present value of the amount available for distribution would be payable within the life expectancy of the Participant.

A distribution upon death will not be covered by this transition rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

If a designation is revoked, any subsequent distribution must satisfy the requirements of Code section 401(a)(9), as amended. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary not named in the designation will not be considered to be a revocation of the designation for these purposes, provided such substitution or addition does not alter the period over which distributions are to be made under the designation either directly or indirectly.

RETIREMENT INCOME: OPTIONAL FORMS OF PAYMENT - SECTION 10

10.1 Contingent Pensioner Option

(A) The Participant who elects payment in the form of a Contingent Pensioner Option will receive a reduced amount of retirement income during his or her lifetime, so that after the Participant's death, retirement income will continue to be paid for the life of the Contingent Pensioner designated by the Participant. Payment will be made to the Contingent Pensioner in an amount equal to 100%, 66-2/3% or 50% of the amount of the Participant's monthly retirement income, subject to the Participant's election.

(B) If the Contingent Pensioner Option is in effect on the Participant's Retirement Date, the amount of retirement income payable to the Participant will be determined by multiplying the amount which would otherwise be payable to the Participant, assuming the Modified Cash Refund form of payment was in effect, by the appropriate Adjustment Factor.

(C) The Contingent Pensioner Option will be inoperative if the designated Contingent Pensioner dies before the Participant's Retirement Date or the Participant dies before his or her Retirement Date and the terms of Section 10.1(D) are not applicable.

(D) If a Participant who has elected payment in the form of the Contingent Pensioner Option dies on or after his or her Normal Retirement Date but before his or her Retirement Date, his or her Contingent Pensioner will receive retirement income payments beginning on the first day of the month next following the Participant's death and continuing for the balance of his or her life. These retirement income payments will be equal to the amount which would have been payable to the Participant had the Participant retired on the first day of such month with the Contingent Pensioner Option in effect, but subject to the continuation percentage (100%, 66-2/3% or 50%) elected by the Participant.

10.2 Ten Years Certain and Life Option

(A) The Participant who elects payment in the form of a Ten Years Certain and Life Option will receive a reduced amount of retirement income during his or her lifetime, so that if the Participant's death occurs within the ten year period commencing upon the Participant's Retirement Date, retirement income payments will be paid to the Beneficiary designated by the Participant for the balance of the ten years certain period. Payments to the designated Beneficiary pursuant to the Ten Years Certain and Life Option will be equal to 100% of the payments made to the Participant during the Participant's lifetime.

(B) If the Ten Years Certain and Life Option is in effect on the Participant's Retirement Date, the amount of retirement income payable to the Participant will be determined by multiplying the amount which would otherwise be payable to the

Participant, assuming the Modified Cash Refund form of payment was in effect, by the appropriate Adjustment Factor.

(C) The Ten Years Certain and Life Option will be inoperative if the Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier.

(D) If a Participant who has elected the Ten Years Certain and Life Option dies on or after his or her Normal Retirement Date, but before his or her Retirement Date, the Participant's Beneficiary will receive payments beginning on the first day of the month next following the Participant's death and continuing until the end of the years certain period elected by the Participant. These retirement income payments will be in the same amount as would have been payable had the Participant retired hereunder on such first day of the month with the Ten Years Certain and Life Option in effect.

10.3 Eligible Rollover Distributions

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. For purposes of this Section 10.3, the following terms shall have the meanings indicated below:

(A) Eligible Rollover Distribution - An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) Eligible Retirement Plan - An Eligible Retirement Plan is an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), or a qualified trust described in Code section 401(a), that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. With respect to distributions made after December 31, 2001, an "Eligible Retirement Plan" shall also mean an annuity contract described in Code section 403(b) and an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or

political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. With respect to distributions made after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in Code section 408A. The definition of "Eligible Retirement Plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Code section 414(p).

(C) Distributee - A Distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), are Distributees with regard to the interest of the spouse or former spouse.

(D) Direct Rollover - A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

10.4 Cash-Out Option

The Cash-Out Option is a Cash-Out of the Participant's Employee Contributions Benefit in lieu of all other benefits under the Plan.

10.5 Distributions to Non-spouse Beneficiaries

This section applies to distributions made on or after July 1, 2009. Notwithstanding any provision of the plan to the contrary that would otherwise limit the options of the beneficiary of a deceased participant who is not a Distributee (within the meaning of section 10.3(C)), the Plan Administrator shall, upon the request of such a beneficiary, transfer a lump sum distribution to the trustee of an individual retirement account established under Code section 408 in accordance with the provisions of Code section 402(c)(11).

FIDUCIARY RESPONSIBILITY PROVISIONS - SECTION 11

11.1 Authority of Fiduciaries

The Commissioners have appointed certain named fiduciaries of this Plan, including the Plan Administrator. The named fiduciary or fiduciaries, as the case may be, shall have the authority to control and manage the operation of this Plan and shall be responsible for establishing and carrying out a funding policy and method consistent with the objectives of this Plan. If more than one fiduciary has been named, this authority and responsibility shall be jointly and severally shared.

11.2 Standard of Care and Liability of the Fiduciary

(A) The fiduciary shall:

(1) Discharge the fiduciary's duties solely in the interest of the participants and for the exclusive purposes of providing benefits to the participants and for reasonable expenses of administering the Plan;

(2) Discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(3) Cause the investments of the Plan to be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so;

(4) Perform its duties in accordance with the terms of the Plan and other governing instruments insofar as consistent with applicable law; and

(5) Perform its duties in accordance with all applicable laws.

(B) The fiduciary shall not:

(1) Utilize the Plan's assets in furtherance of the fiduciary's own interest or account;

(2) Act in a transaction involving the Plan on behalf of a person or represent a person, if the interest of the person are adverse to the interest of the Plan or the Plan's participants; or

(3) Receive any consideration for the fiduciary's own account from a person dealing with the Plan in connection with a transaction involving Plan assets; or

(C) Limitation of Duties and Liability

The fiduciary shall be under no duty to defend or engage in any suit with respect to the Fund unless the fiduciary shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction. To the extent not prohibited by applicable law, the fiduciary shall not be responsible in any way for any action or omission of the County with respect to its duties and obligations as set forth in this Plan. To the extent not prohibited by applicable law, the fiduciary shall also not be responsible for any action or omission of any of their agents, or a custodian, or with respect to reliance upon the advice of counsel (whether or not such counsel is also counsel to the plan), provided that such agents, custodian or counsel were prudently chosen by the fiduciary and that the fiduciary relied in good faith upon the action of such agent or custodian, or the advice of such counsel. Notwithstanding the foregoing, the fiduciary shall not be relieved from responsibility or liability for any responsibility, obligation or duty imposed upon it under the Plan or under applicable law.

(D) A fiduciary who commits a material breach of any of its duties with respect to this Plan:

(1) Is personally liable to the Plan for any losses resulting from the breach;

(2) Shall restore to the Plan any profits derived by the fiduciary with respect to the breach; and

(3) Is subject to such other equitable or remedial relief deemed appropriate by a court of competent jurisdiction.

(E) The fiduciary is a party to this Plan solely for the purposes set forth in this Plan and to perform the acts set forth herein.

11.3 Allocation of Responsibilities Among Fiduciaries

The Commissioners may allocate fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries if there is more than one. Provision may be made for named fiduciaries to designate persons other than named fiduciaries to carry out fiduciary responsibilities under the Plan. If any fiduciary responsibility of a named fiduciary is allocated to any person or a person is designated to carry out such responsibility, then such named fiduciary shall not be liable for any act or omission of such person in carrying out such responsibility.

11.4 Miscellaneous

No fiduciary guarantees the Fund in any manner against investment loss or depreciation of asset value.

Any person or group of persons may serve in more than one fiduciary capacity with respect to this Plan. A named fiduciary (or a fiduciary designated by a named fiduciary) may employ one or more persons to render advice with regard to any responsibilities such fiduciary has under the Plan. A person who is a named fiduciary with respect to control and management of the assets of the Plan may appoint an investment manager or managers to manage any assets of the Plan. Unless it shall agree to accept additional fiduciary responsibility, an insurance carrier's liability as a fiduciary is limited to that arising from its management of any assets of the Plan held by the insurance carrier in one or more of its separate accounts.

PLAN ADMINISTRATION - SECTION 12

12.1 Administrative Authority

Except as otherwise specifically provided herein, the Commissioners shall have the sole responsibility for and the sole control of the operation and administration of the Plan.

The Commissioners shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to:

(A) Resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions,

(B) Adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan,

(C) Implement the Plan in accordance with its terms and such rules and regulations,

(D) Direct the Trustees with respect to the eligibility of any employee as a Participant and the crediting and distribution of the Fund, which are to be made only upon the basis of instructions from the Commissioners pursuant to the terms of the Plan, and

(E) Establish and carry out a funding policy and method consistent with the objectives of the Plan, pursuant to which the Commissioners shall determine the Plan's liquidity and financial needs and communicate them to the Trustees (or other fiduciaries who are charged with determining investment policy).

(F) Establish and delegate to various committees or review boards the power to carry out any of the functions enumerated in this Section 12.1.

12.2 Appointment of Plan Administrator

The Commissioners shall appoint a Retirement Plan Committee (the "Committee") to act as Plan Administrator of this Plan. The persons designated as a member of the Committee shall signify acceptance of this position in writing. The Plan Administrator, and each member thereof, is a fiduciary with respect to this Plan.

Except to the extent that the County has retained any power or authority, or allocated duties and responsibilities to another administrator or other fiduciary, the Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this Section 12, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment advisors, other advisors and specialists, Participants, Beneficiaries and their representatives, in accordance with the following provisions:

(A) Individuals serving on the Committee

Subject to the right of the Commissioners to remove Committee members and appoint additional members, the Committee shall consist of those individuals who hold the following positions:

- (1) County Administrator, or his or her designee, as Chairperson;
- (2) Director of Fiscal & Administrative Services, or his or her designee;
- (3) Assistant Director of Human Resources, or his or her designee;
- (4) Director of Human Resources, or his or her designee; and .
- (5) County Attorney, or his or her designee who is an attorney.

In addition, the Commissioners shall appoint to serve on the Committee an Employee, a citizen of Charles County, Maryland, and a former Employee who is either receiving a monthly retirement income from the Plan or is eligible to receive a monthly retirement income from the Plan in the future.

(B) Compensation; Acceptance of Duties and Responsibilities

Subject to his or her right to resign at any time, each member of the Committee shall serve without compensation paid from the Fund at the pleasure of the Commissioners, and the Commissioners may appoint, and may revoke the appointment of, additional members to serve with the Committee as may be determined to be necessary or desirable from time to time. Each member of the Committee, by accepting his or her appointment to the Committee, shall be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his or her duties thereunder.

(C) Organization and Voting of the Committee

(1) The Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs.

(2) The Committee shall act as a body, and the individual members of the Committee shall have no powers and duties as such, except as provided herein.

(3) The Committee shall act by vote of a majority of its members at the time in office (other than those disqualified from voting pursuant to Section 12.2(E) hereof) either at a meeting or in writing without a meeting.

(D) Finality of Decisions

Except as set forth in Section 13, the determination of the Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on the County, the Employer, the Trustees, all Participants and Beneficiaries and all those persons dealing in any way or capacity with the Plan.

(E) Fiduciary's Benefits

Nothing in the Plan shall be construed so as to prevent any fiduciary from:

(1) Receiving any benefit to which the fiduciary may be entitled as a Participant or Beneficiary; or

(2) Receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly incurred in the performance of his or her duties under the Plan (except that no person so serving who receives compensation as an Employee shall receive compensation from the Plan, except for reimbursement of expenses properly incurred); or

(3) Serving as a fiduciary in addition to being an officer, employee, agent, or other representative of the County, the Employer, or any related entity.

Notwithstanding the foregoing, the fiduciary shall not be entitled to vote or act upon, or execute on behalf of the Plan documents specifically relating to, his or her own participation in the Plan.

12.3 Duties and Authority of Committee

The Committee shall administer the Plan on behalf of the Employer in a nondiscriminatory manner for the exclusive benefit of Participants and their Beneficiaries.

The Plan Administrator shall perform all such duties as are necessary to operate, administer, and manage the Plan in accordance with the terms thereof, including but not limited to the following:

(A) To determine all questions relating to a Participant's coverage under the Plan,

(B) To maintain all necessary records for the administration of the Plan,

(C) To compute and authorize the payment of retirement income and other benefit payments to eligible Participants and Beneficiaries,

(D) To interpret and construe the provisions of the Plan and to make regulations which are not inconsistent with the terms thereof,

(E) To advise or assist Participants regarding any rights, benefits, or elections available under the Plan,

(F) To review and interpret reports from the Trustees and other consultants to the Plan,

(G) To review recommendations made by the investment advisers to the Plan regarding investment or reinvestment of Plan assets, communicate those recommendations to the Commissioners, and communicate the recommendations to the Trustee,

(H) To represent the Commissioners, as needed, in correspondence to the Trustee, an insurance company, fund managers, or other advisers and consultants to the Plan,

(I) To follow investment policies adopted by the Commissioners,

(J) To supervise the fund managers,

(K) To report to the Commissioners any violations of policies or regulations adopted by the Commissioners, and

(L) To take whatever actions are necessary to operate the Plan and to maintain the Plan as a retirement program which is at all times in full and timely compliance with any law or regulation pertaining to this Plan

The Commissioners shall grant the Plan Administrator all reasonable powers necessary or appropriate to accomplish the duties of Plan Administrator.

Notwithstanding the foregoing, the Committee shall have no power to:

- (M) Amend or terminate the Plan,
- (N) Determine the amount of Employer contributions,
- (O) Exercise authority to direct the Trustees with respect to the investment of the Fund,
- (P) Affect the employer-employee relationship between the Employer and any Employee,
- (Q) Retain and/or discharge the Trustees, or
- (R) Grant or deny a Public Safety Participant's initial claim for disability benefits, which powers will be granted to a Disability Review Board.

12.4 Expenses and Assistance

All reasonable expenses necessary to operate and administer the Plan shall be borne by the Fund, but if not paid by the Fund, shall be paid by the County. The County shall furnish the Plan Administrator with such clerical and other assistance as is required in the performance of duties relating to this Plan.

12.5 Participants and Other Payees - Data

Participants and other persons affected by the Plan shall furnish the Plan Administrator, upon request, such documents, evidence or information which the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The Plan Administrator may cause to be withheld any benefit payment otherwise due the Participant or other person, until the required document, evidence, or other information is so furnished.

12.6 Resignation and Removal of Plan Administrator

Any member of the Committee may resign at any time by delivering to the Commissioners a written notice of resignation to take effect at a date specified therein. Such date should not be less than 30 days after the delivery of the resignation, unless waived by the Commissioners.

The Committee, or any member thereof, may be removed as Plan Administrator with or without cause by the Commissioners through delivery to him or her of written notice of removal to take effect at a date specified in the notice.

12.7 Appointment of Successor Plan Administrator

In the event the office of Plan Administrator is vacant or in the event the Committee consists of less than three members, the Commissioner shall promptly designate a successor Plan Administrator or Committee member who must signify acceptance of this position in writing. In the event no successor is appointed, the Commissioners or other governing body of the Employer shall function as the Plan Administrator until a new Plan Administrator has been appointed and has accepted the appointment.

12.8 Liability of Plan Administrator

All representatives of the County and all members of the Committee shall use ordinary care and diligence in the performance of their duties pertaining to this Plan, but no such individual shall incur any liability:

(A) By virtue of any contract, agreement, bond or other instrument made or executed by the individual or on the individual's behalf in his or her official capacity with respect to the Plan;

(B) For any act or failure to act, or any mistake or judgment made, in his or her official capacity with respect to the Plan, unless resulting from his or her gross negligence or willful misconduct; or

(C) For the neglect, omission or wrongdoing of any other person involved with the Plan.

The Plan shall indemnify and hold harmless each such individual from the effects and consequences of his or her acts, omissions and conduct in his or her official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from his or her own willful misconduct or gross negligence; provided, however, that any person who shall claim the right to any payment or damage as a result of the actions of any individual in connection with the performance of the individual's duties pertaining to the Plan shall be entitled to look only to the Fund created pursuant to this Plan for payment. Such person shall have no other right, claim or demand therefor against the County.

12.9 Liability Insurance

(A) The Plan may purchase, from Plan assets, and as an expense of the Plan, liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason of an act or omission of a fiduciary, providing such insurance contract permits recourse by the insurer against the fiduciary in the case of breach of fiduciary obligation by such fiduciary.

(B) Any fiduciary may purchase, from and for his or her own account, insurance to protect himself or herself in the event of a breach of fiduciary duty and the County may also purchase insurance to cover the potential liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

12.10 Specialized Advice, Assistance and Delegation of Committee

The Plan Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan. The Plan Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons.

The Plan Administrator shall have the power and authority to delegate from time to time by written instrument all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to the specified employee of the Employer who may be designated by the Director of Human Resources of the County to assist the Plan Administrator (the "Coordinator"), and in the same manner to revoke any such delegation of duties, powers or responsibilities. The Plan Administrator may also delegate all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to a committee or committees established for the purpose of carrying out the functions of the Plan Administrator.

Any action of the Coordinator in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Plan Administrator.

Further, the Plan Administrator may authorize the Coordinator, if one is designated, to execute any certificate or document on behalf of the Plan Administrator, in which event any person notified by the Plan Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Plan Administrator until such third person shall have been notified of the revocation of such authority.

The Plan Administrator shall not be liable for any act or omission of any person to whom the Plan Administrator's duties, powers or responsibilities have been delegated,

nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him or her.

CLAIMS PROCEDURES/MISCELLANEOUS - SECTION 13

13.1 Filing a Claim for Benefits

A Participant or Beneficiary shall notify the Plan Administrator of a claim for benefits under the Plan. Such request may be in any form adequate to give reasonable notice to the Plan Administrator, shall set forth the basis of such claim, and shall authorize the Plan Administrator to conduct such examinations as may be necessary to determine the validity of the claim and to take such steps as may be necessary to facilitate the payment of any benefits to which the Participant or Beneficiary may be entitled under the Plan.

13.2 Denial of Claim

Whenever a claim for benefits by any Participant or Beneficiary has been denied, written notice prepared in a manner calculated to be understood by the Participant or Beneficiary will be provided, setting forth the specific reasons for the denial and explaining the procedure for an appeal and review of the decision by the Plan Administrator.

13.3 Governing Law

The Plan shall be governed and construed in accordance with the laws of the state of Maryland to the extent not preempted by federal law.

13.4 Masculine and Feminine, Singular and Plural

In construing the text of this Plan, the masculine shall include the feminine; the singular shall include the plural; the plural, the singular wherever the context shall plainly so require.

13.5 Reference to Laws

Any reference herein to any section of the Code or any other statute or law shall be deemed to include any successor statute or law of similar import.

13.6 No Assignment

All retirement income payments and other payments are provided for the Participant or other payee for the support and benefit of such payee, and shall not be assigned or anticipated, and shall be free from the claims of all creditors to the fullest extent permitted by law. This provision shall not apply with respect to any benefit payable pursuant to a Domestic Relations Order. All or part of the Participant's accrued retirement income may be distributed to an alternate payee(s) pursuant to a Qualified Domestic Relations Order within the meaning of Code section 414(p).

13.7 Limitation

Participation in the Plan shall not grant any Participant the right to be retained in the service of the Employer or any other rights other than those to which he or she is entitled under relevant law or regulations.

13.8 Divestment of Benefits for Cause Precluded

In no event may a Participant be divested for cause of retirement income or other benefits which he or she is eligible to receive under this Plan.

13.9 Clerical Error

If any fact pertaining to eligibility for or amounts of benefits payable under the Plan to a Participant or other payee has been misstated, or in the event of clerical error, the benefits will be adjusted on the basis of the correct facts.

13.10 Fund for Exclusive Benefit of Participants

The Fund is for the exclusive benefit of Participants and other persons who may become entitled to benefits hereunder and may also be used to pay any reasonable expenses arising from the operation of the Plan. Prior to the satisfaction of all liabilities for benefits provided hereunder, no contribution made to the Fund will be refunded to the Employer unless such contribution was made by reason of mistake of fact. Such refund must be made within one year from the date the contribution was made.

13.11 Disposition of Credits and Forfeitures

No credit or forfeitures arising from the operation of the Plan may be used to increase the benefit of any Participant or group of Participants, but will instead be taken into account in determining contributions to be made by the Employer.

AMENDMENT AND TERMINATION OF PLAN -- SECTION 14

14.1 Amendment - General

The Employer reserves the right to amend or modify the Plan in whole or in part from time to time. No such amendment may decrease the amount of retirement income accrued hereunder by a Participant prior to the later of the effective date or adoption date of the amendment, or may eliminate or restrict the availability of an optional form of payment (including early retirement provisions) with respect to a Participant's retirement income accrued prior to the later of the effective date or adoption date of the amendment. However, the Employer may make any amendment or modification (of retroactive effect, if necessary) to establish and maintain the Plan's qualification under Code section 401(a).

14.2 Amendment - Merger or Consolidation of Plan

This Plan may be amended by the Employer to provide for the merger or consolidation of the Plan with another retirement plan or for the transfer of assets and liabilities hereunder to another retirement plan.

In the event of a merger, consolidation, or transfer of assets as described above, each Participant affected by such an amendment shall receive retirement income under such other retirement plan after the merger, consolidation or transfer (determined as if that plan had then terminated), which is at least as great as the retirement income the Participant would have received under this Plan immediately prior to the merger, consolidation or transfer (determined as if this Plan had then terminated). Any optional forms of payment, including early retirement provisions, applicable to a Participant's retirement income accrued under this Plan prior to a merger, consolidation or transfer shall continue to apply to such prior accrued retirement income after the merger, consolidation or transfer, unless the following requirements are met:

(A) The Participant makes a voluntary, fully informed election to transfer his or her benefits to such other plan;

(B) In the absence of an election to transfer benefits to the other plan, the Participant is eligible to receive an immediate distribution from this Plan.

(C) Assets may be transferred from this Plan to a defined contribution plan maintained by the Employer only if the requirements specified above are met.

14.3 Partial Termination of Plan

In the event a partial termination of the Plan occurs with respect to a specified group or groups of Participants, the Employer shall cause to be allocated and segregated for the benefit of such Participants a proportionate interest in the Fund. Such proportionate interest shall be determined by an enrolled actuary and applied by the Employer to provide retirement income to such Participants in accordance with the following terms of this Section. Any retirement income so provided shall be nonforfeitable.

14.4 Termination of Plan

The Employer intends to continue the Plan indefinitely but reserves the right to terminate it at any time. The date when the Plan is terminated shall be referred to in this Section as the "Plan Termination Date."

As of the Plan Termination Date, retirement income accrued on account of Participants' coverage hereunder shall be nonforfeitable. However, no Participant or other individual shall have recourse toward the satisfaction of any benefit accrued under the Plan other than from the Fund. After any final expenses have been withdrawn from the Fund, the Employer shall cause the amount remaining in the Fund to be allocated according to the following categories in the order given:

(A) First, there shall be allocated an amount necessary to provide for payment of each Participant's Employee Contributions Benefit.

(B) Second, the amounts remaining in the Fund shall be allocated to provide retirement income described below, to the extent possible, for Participants in each of the following groups in the given order:

- (1) Participants with a Retirement Date after the Normal Retirement Date and any Spouse age 60 and over.
- (2) Other Participants age 60 or over.
- (3) Participants age 55 to 59, inclusive.
- (4) Participants age 45 to 54, inclusive.
- (5) Participants under age 45.

The age referred to above is the Participant's attained age, latest birthday, on the Plan Termination Date.

The total retirement income to be provided for such a Participant under this Section will be in the amount determined as provided in Section 4. For a Participant who is in the employ of the Employer and has not attained a Normal Retirement Date

on the Plan Termination Date, such determination will be made as if his or her Termination Date occurred on the date of discontinuance and as if the Participant had a Vesting Percentage of 100%. The right of a Participant to the retirement income provided under this Section shall be nonforfeitable.

The amount necessary to provide the retirement income specified in each of the above categories shall be determined in accordance with annuity purchase rate assumptions selected by the Employer in accordance with such governmental regulations as may apply.

Amounts allocated on a Participant's behalf under any category shall be appropriately adjusted if:

(A) An amount has been allocated on such Participant's behalf under a prior category, and/or

(B) All or portion of a Participant's retirement income has been guaranteed under an insurance company contract prior to the Plan Termination Date.


If under this Section the amount available for allocation to any group is not sufficient to provide for such retirement income for the Participants in the group, a pro rata allocation of the amount available will be made for such Participants to provide reduced retirement income to the extent possible.


In lieu of the allocation provided for in the preceding paragraphs of this Section, the Employer may request subject to the approval of an insurance company, another method of allocation.


After the assets of the Fund have been withdrawn and allocated in accordance with the preceding terms of this Section, any amount remaining in the Fund will be returned to the Employer.

The County Commissioners of Charles County, Maryland hereby cause this amendment and restatement of the Charles County Pension Plan to be executed this 23rd day of October, 2018.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND


Peter F. Murphy, President


Bobby Rucci, Vice President


Ken Robinson, Commissioner


Amanda M. Stewart, M.Ed. Commissioner



Debra M. Davis, Esq., Commissioner

TABLE I

EARLY RETIREMENT ADJUSTMENT FACTORS

Number of Years and Months from Annuity Commencement Date
to Normal Retirement Date

| Months | Years: | 0 | 1 | 2 | 3 | 4 | 5 |
|--------|--------|-------|-------|-------|-------|-------|-------|
| 0 | | | 94.0% | 88.0% | 82.0% | 76.0% | 70.0% |
| 1 | | 99.5% | 93.5 | 87.5 | 81.5 | 75.5 | 69.7 |
| 2 | | 99.0 | 93.0 | 87.0 | 81.0 | 75.0 | 69.4 |
| 3 | | 98.5 | 92.5 | 86.5 | 80.5 | 74.5 | 69.1 |
| 4 | | 98.0 | 92.0 | 86.0 | 80.0 | 74.0 | 68.8 |
| 5 | | 97.5 | 91.5 | 85.5 | 79.5 | 73.5 | 68.5 |
| 6 | | 97.0 | 91.0 | 85.0 | 79.0 | 73.0 | 68.2 |
| 7 | | 96.5 | 90.5 | 84.5 | 78.5 | 72.5 | 67.9 |
| 8 | | 96.0 | 90.0 | 84.0 | 78.0 | 72.0 | 67.6 |
| 9 | | 95.5 | 89.5 | 83.5 | 77.5 | 71.5 | 67.3 |
| 10 | | 95.0 | 89.0 | 83.0 | 77.0 | 71.0 | 67.0 |
| 11 | | 94.5 | 88.5 | 82.5 | 76.5 | 70.5 | 66.7 |

Number of Years and Months from Annuity Commencement Date
to Normal Retirement Date

| Months | Years: | 6 | 7 | 8 | 9 | 10 |
|--------|--------|-------|-------|-------|-------|-------|
| 0 | | 66.4% | 62.8% | 59.2% | 55.6% | 52.0% |
| 1 | | 66.1 | 62.5 | 58.9 | 55.3 | |
| 2 | | 65.8 | 62.2 | 58.6 | 55.0 | |
| 3 | | 65.5 | 61.9 | 58.3 | 54.7 | |
| 4 | | 65.2 | 61.6 | 58.0 | 54.4 | |
| 5 | | 64.9 | 61.3 | 57.7 | 54.1 | |
| 6 | | 64.6 | 61.0 | 57.4 | 53.8 | |
| 7 | | 64.3 | 60.7 | 57.1 | 53.5 | |
| 8 | | 64.0 | 60.4 | 56.8 | 53.2 | |
| 9 | | 63.7 | 60.1 | 56.5 | 52.9 | |
| 10 | | 63.4 | 59.8 | 56.2 | 52.6 | |
| 11 | | 63.1 | 59.5 | 55.9 | 52.3 | |

TABLE II

LATE RETIREMENT ADJUSTMENT FACTORS

Number of Years and Months from Annuity Commencement
Date to Normal Retirement Date

| Months | Years: | 0 | 1 | 2 | 3 | 4 | 5 |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 0 | | | 106.0% | 113.2% | 121.6% | 131.2% | 142.0% |
| 1 | | 100.5% | 106.6 | 113.9 | 122.4 | 132.1 | |
| 2 | | 101.0 | 107.2 | 114.6 | 123.2 | 133.0 | |
| 3 | | 101.5 | 107.8 | 115.3 | 124.0 | 133.9 | |
| 4 | | 102.0 | 108.4 | 116.0 | 124.8 | 134.8 | |
| 5 | | 102.5 | 109.0 | 116.7 | 125.6 | 135.7 | |
| 6 | | 103.0 | 109.6 | 117.4 | 126.4 | 136.6 | |
| 7 | | 103.5 | 110.2 | 118.1 | 127.2 | 137.5 | |
| 8 | | 104.0 | 110.8 | 118.8 | 128.0 | 138.4 | |
| 9 | | 104.5 | 111.4 | 119.5 | 128.8 | 139.3 | |
| 10 | | 105.0 | 112.0 | 120.2 | 129.6 | 140.2 | |
| 11 | | 105.5 | 112.6 | 120.0 | 130.4 | 141.1 | |

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

TABLE III
EARLY RETIREMENT ADJUSTMENT FACTORS
(Termination of Non-Public Safety Participant with at least 25 Years of Service)

Number of Years and Months from Annuity Commencement Date
to Normal Retirement Date

| | Years | 0 | 1 | 2 | 3 | 4 | 5 |
|--------|-------|--------|--------|--------|--------|--------|--------|
| Months | | | | | | | |
| 0 | | | 97.00% | 94.00% | 91.0% | 88.0% | 85.0% |
| 1 | | 99.75% | 96.75% | 93.75% | 90.75% | 87.75% | 84.75% |
| 2 | | 99.50% | 96.50% | 93.50% | 90.50% | 87.50% | 84.50% |
| 3 | | 99.25% | 96.25% | 93.25% | 90.25% | 87.25% | 84.25% |
| 4 | | 99.00% | 96.00% | 93.00% | 90.00% | 87.00% | 84.00% |
| 5 | | 98.75% | 95.75% | 92.75% | 89.75% | 86.75% | 83.75% |
| 6 | | 98.50% | 95.50% | 92.50% | 89.50% | 86.50% | 83.50% |
| 7 | | 98.25% | 95.25% | 92.25% | 89.25% | 86.25% | 83.25% |
| 8 | | 98.00% | 95.00% | 92.00% | 89.00% | 86.00% | 83.00% |
| 9 | | 97.75% | 94.75% | 91.75% | 88.75% | 85.75% | 82.75% |
| 10 | | 97.50% | 94.50% | 91.50% | 88.50% | 85.50% | 82.50% |
| 11 | | 97.25% | 94.25% | 91.25% | 88.25% | 85.25% | 82.25% |

| | Years | 6 | 7 | 8 |
|--------|-------|--------|--------|-------|
| Months | | | | |
| 0 | | 82.0% | 79.0% | 76.0% |
| 1 | | 81.75% | 78.75% | |
| 2 | | 81.50% | 78.50% | |
| 3 | | 81.25% | 78.25% | |
| 4 | | 81.00% | 78.00% | |
| 5 | | 80.75% | 77.75% | |
| 6 | | 80.50% | 77.50% | |
| 7 | | 80.25% | 77.25% | |
| 8 | | 80.00% | 77.00% | |
| 9 | | 79.75% | 76.75% | |
| 10 | | 79.50% | 76.50% | |
| 11 | | 79.25% | 76.25% | |

CHARLES COUNTY GOVERNMENT

INTEROFFICE MEMORANDUM

Equal Opportunity Employer



TO: Reuben B. Collins, II, Esq., Commissioner President,
Bobby Rucci, Commissioner Vice President, District 4,
Gilbert "BJ" O. Bowling, III, District 1,
Thomasina O. Coates, M.S., District 2,
Amanda M. Stewart, M.Ed., District 3

THRU: Mark Belton, County Administrator
County Administrator's Office Mark Belton
Mark Belton (Sep 14, 2021 18:12 EDT)

THRU: Wesley Adams, County Attorney
County Attorney's Office Wesley Adams

THRU: Alexis Blackwell, Director
Human Resources Alexis Blackwell

FROM: Megan Donnick, Deputy Director
Human Resources Megan Donnick
Megan Donnick (Sep 14, 2021 14:00 EDT)

SUBJECT: Amendment 2021-1 for the Charles County Pension Plan (CCPP)

DATE: September 14, 2021

During the June 22, 2021 Commissioner meeting, you approved in open session the MOU between the IAFF Local 4658 and the Charles County Government. Within the MOU were two changes that affect our Charles County Pension Plan for our Public Safety Officers. This included increasing the percentage they pay from 7% to 8% and increasing their benefit multiplier from 2.0% to 2.5%. Attached you will find the redlined copy of the amendment, and the finalized version of the amendment which address these two changes. Your signature will allow these changes to be added into our plan document.

If you have any questions about the amendment, feel free to contact me.

Cc: Kimberly Pelczar, Benefits Administrator

Attachments: Amendment 2021-1, redline version
Amendment 2021-1, final version

**AMENDMENT 2021-1
TO THE
CHARLES COUNTY PENSION PLAN**

Effective November 1, 2018, the County Commissioners of Charles County, Maryland amended and restated the Charles County Pension Plan (the "Plan").

The Plan, as amended and restated, and as subsequently amended, is hereby further amended effective as provided herein, as follows:

FIRST CHANGE

Section 4.1 shall be amended to read as follows:

4.1 Normal Retirement Benefit

(A) General Provisions

Except as otherwise provided in this Section 4, a Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her Normal Retirement Date shall be entitled to receive an annual, level retirement income, beginning with the first day of the month coincident with or otherwise next following his or her Retirement Date and continuing for the remainder of his or her life.

(B) Minimum Benefit

If a Participant who receives benefits in the Modified Cash Refund Form pursuant to this Section 4.1, and does not elect an optional form of benefit under Section 10, dies before receiving payments equal in value to the Participant's Employee Contributions Benefit, determined at the time of his or her Termination Date, the balance of the value of the Participant's accumulated contributions shall be paid to his or her Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 8.3.

(C) Amount of Benefit

Subject to the limitations set forth in Sections 4.5 and 6.2, the amount of the monthly retirement income shall be equal to the following:

(1) Non-Public Safety Participants

(a) 1.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant, plus

(b) 1.75% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of five Years of Service, but not in excess of ten Years of Service, plus

(c) 2.0% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of ten Years of Service, but not in excess of fifteen Years of Service, plus

(d) 2.25% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of fifteen Years of Service, but not in excess of twenty Years of Service, plus

(e) 2.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of twenty Years of Service.

(2) Public Safety Participant

(a) With respect to Public Safety Participants who reaches a Termination Date on or after July 1, 2021:

(i) 2.5% multiplied by the Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Public Safety Participant, plus

(ii) one percent, multiplied by the Public Safety Participant's Final Average Earnings, if the Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Public Safety Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(2)(a)(ii).

(b) With respect to Public Safety Participants who reaches a Termination Date prior to July 1, 2021:

(i) two percent multiplied by the Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Public Safety Participant, plus

(ii) one percent, multiplied by the Public Safety Participant's Final Average Earnings, if the Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Public Safety Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(2)(b)(ii).

(3) Dual Service Participants

The annual retirement income for Dual Service Participants shall be calculated as follows:

(a) The annual retirement benefit determined pursuant to Section 4.1(C)(1) or 4.1(C)(2) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant or Non-Public Safety Participant at the time or times the Dual Service Participant changed status, determined on the basis of the Dual Service Participant's Final Average Earnings as if the Dual Service Participant's Retirement Date were the date of the change or changes in status as a Public Safety Participant or Non-Public Safety Participant, plus

(b) The annual retirement benefit determined pursuant to Section 4.1(C)(1) or 4.1(C)(2) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant or Non-Public Safety Participant as of the Dual Service Participant's Retirement Date, determined on the basis of the Dual Service Participant's Final Average Earnings as of the Participant's Retirement Date, plus

(c) The Dual Service Participant's credit for accrued sick leave, determined pursuant to Section 4.1(C)(2)(a)(ii) or 4.1(C)(2)(b)(ii) if the Dual Service Participant is a Public Safety Participant as of the Dual Service Participant's Termination Date, or determined pursuant to Section 6.5 if the Dual Service Participant is a Non-Public Safety Participant as of the Dual Service Participant's Termination Date.

(D) Maximum Benefit

(1) Notwithstanding the foregoing, in no event will a Non-Public Safety Participant's annual retirement income calculated pursuant to this Section 4.1(C)(1) as of the Non-Public Safety Participant's Retirement Date exceed 65% multiplied by the Non-Public Safety Participant's Final Average Earnings.

(2) Notwithstanding the foregoing, in no event will a Public Safety Participant's annual retirement income calculated pursuant to Section 4.1(C)(2) as of the Public Safety Participant's Retirement Date exceed 75% multiplied by the Public Safety Participant's Final Average Earnings.

SECOND CHANGE

Section 7.4 shall be amended to read as follows:

7.4 Pick-Up Contributions

Under limited circumstances described below, Participant contributions and monies from other retirement plans may be transferred to the Fund.

(A) County Pick-Up Contributions

In accordance with rules established by the County, each Non-Public Safety Participant shall make contributions to the Plan equal to 4% of Earnings. In accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 7% of Earnings. Effective for the first full payroll period beginning on or after July 1, 2021, and in accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 8% of Earnings. The Participant contributions referred to in this Section 7.4 shall be picked up by the County, as described in Code section 414(h)(2), deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Fund with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The Participant will not have the option of choosing to receive the contributed amounts directly instead of having them paid directly by the County to the Plan. The contributions made pursuant to this Section 7.4 shall be made a part of the Participant's Employee Contributions Benefit, and as such, a part of the Participant's Accrued Benefit.

(B) Suspension of Contributions

A Participant's salary reduction contributions shall be automatically suspended for any payroll period during which he or she is not employed as an Employee in an Eligible Class or during which the Employee is on an unpaid leave of absence. A Non-Public Safety Participant's salary reduction contributions shall automatically cease as of the first payroll period following the date the Non-Public Safety Participant has received credit for 31 Years of Service, exclusive of credit awarded pursuant to 6.5. Except as otherwise provided in this Section 7.4(B) or in this Plan, a Public Safety Participant's salary reduction contributions shall not cease until the Public Safety Participant reaches a Termination Date.

(C) Withdrawals of Pick-Up Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(D) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.4, then, the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(E) Vesting of Pick-Up Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions, picked up by the County and made or transferred to the Plan, shall be fully vested at all times.

(F) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

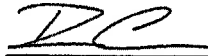
(G) Plan Termination

In the event of a termination of the Plan, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund, other than those attributable to contributions made pursuant to Section 7.5

The County Commissioners of Charles County, Maryland hereby cause this Amendment 2021-1 to the Charles County Pension Plan to be executed this ____ day of

_____.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND



Reuben B. Collins, II, President

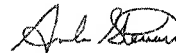


Bobby Rucci, Vice President

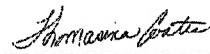


Gilbert Bowling (Sep 15, 2021 20:02 EDT)

Gilbert O. Bowling, II, Commissioner



Amanda M. Stewart, M.Ed.,
Commissioner



Thomasina O. Coates, M.S.,
Commissioner

AMENDMENT 2022-1
TO THE
CHARLES COUNTY PENSION PLAN

Effective July 1, 2018, the County Commissioners of Charles County, Maryland (the "County") amended and restated the Charles County Pension Plan (the "Plan").

The County determined that the Plan provisions should be clarified to specify that "acting pay" paid to a Plan participant is considered as "Earnings" under the Plan and cost of living adjustments apply to disability retirement benefits as well as non-disability retirement benefits.

Therefore, the Plan, as amended and restated, is hereby further amended effective July 1, 2022 as follows:

FIRST CHANGE

The definition of "Earnings" in Section 2 of the Plan shall be amended to read as follows:

Earnings - Basic compensation received from the Employer, excluding overtime payments, commissions, bonuses, and any other additional compensation, but including elective contributions that are made by the Employer on behalf of Employees that are not includible in the Employees' gross income under Code section 125 or 132(f), contributions made to this Plan pursuant to Code section 414(h)(2), compensation deferred under an eligible deferred compensation plan within the meaning of Code section 457(b), and differential wage payments within the meaning of Code section 3401(h)(2) (pertaining to payments to an Employee performing services in the uniformed armed services), and "acting pay" premium paid while an Employee is employed in an acting capacity.

The Earnings of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2008 shall not exceed \$245,000. Annual Earnings means earnings during the Plan Year or such other consecutive 12-month period over which Earnings are calculated under the Plan (the "determination period").

The \$245,000 limit on annual Earnings set forth above shall be adjusted in accordance with Code section 401(a)(17)(B) of the Code. The cost of living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

SECOND CHANGE

Section 4.6 is amended to read as follows:

4.6 Cost of Living Adjustment

(A) Amount of Adjustment - Subject to the limitations set forth in Section 4.5, the annual retirement income, as otherwise computed pursuant to Section 4.1 and Section 5, of any Participant shall be subject to a cost of living adjustment whereby, as of each May 1 (the "Valuation Date") which occurs during the period beginning on the first Valuation Date occurring at least 12 months subsequent to the Participant's Benefit Commencement Date and ending on the last day as of which benefits are paid to either the Participant or his or her Beneficiary, the Participant's then annual retirement income shall be multiplied by a fraction, the numerator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding such Valuation Date, and the denominator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding the immediately preceding Valuation Date; provided, however, that no such cost of living adjustment shall cause a Participant's annual retirement income as of any May 1 to increase more than four percent over the annual retirement income payable as of the preceding May 1.

(B) Decrease in Consumer Price Index: No Benefit Decrease; Offset in Subsequent Years - If the Consumer Price Index decreases between the Valuation Dates described in subsection 4.6(A), the Participant's or Beneficiary's annual retirement income beginning on the following May 1 ("Year 1") shall not decrease and shall be equal to the annual retirement income determined for the preceding year. For the next following year beginning May 1 ("Year 2"), the Participant's annual retirement income shall be determined in accordance with subsection 4.6(A), including the limitation of no increase in excess of four percent over the annual retirement income payable as of the preceding May 1. The adjusted annual retirement income will then be reduced by the amount the Participant's annual retirement income would have decreased for Year 1 but for the provisions of this subsection 4.6(B) (the "offset"), but not below the annual retirement income paid in Year 1. The maximum offset to be applied for any one year will not exceed the lesser of: (1) the decrease in the Consumer Price Index between the Valuation Dates described in 4.6(A), or (2) four percent. If the offset to the annual retirement income in Year 2 would cause the Participant's or Beneficiary's annual retirement to decrease below the annual retirement income paid in Year 1, the remaining amount of the offset will continue to be applied against the adjustment calculated for subsequent years until the offset is fully recovered.


(C) Consumer Price Index - The Consumer Price Index to be used in the index for all urban consumers (CPI-U, all items (1967=100), published by the Bureau of Labor Statistics; and the CPI-U as of any Valuation Date means the index reading on the last day of January preceding such Valuation Date. In the event the Bureau of Labor Statistics

abandons publication of the CPI-U, the County shall adopt any other index which, in its judgment, provides an accurate measure of cost-of-living changes.

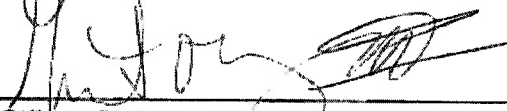
(D) Notwithstanding Section 1.2 of the Plan, the annual retirement income of a Participant who retired prior to July 1, 1997 and whose annual adjustments for cost of living were limited so as not to cause the Participant's annual retirement income, as determined at the time of the Participant's Retirement Date, to increase by more than 150% shall be adjusted, if necessary, effective May 1, 1998, to take into account that the cost of living adjustment limitation of 150% was removed effective July 1, 1997.

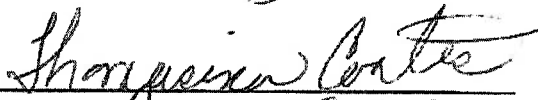
The County Commissioners of Charles County, Maryland hereby cause this Amendment 2022-1 to the Charles County Pension Plan to be executed this 22 day of March, 2022.


COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND


Reuben B. Collins, II, Esquire, President


Bobby Rucci, Vice President


Gilbert O. Bowling, III, Commissioner


Thomasina O. Coates, Commissioner


Amanda M. Stewart, M.Ed., Commissioner

AMENDMENT 2022-2
TO THE
CHARLES COUNTY PENSION PLAN

Effective July 1, 2018, the County Commissioners of Charles County, Maryland (the "County") amended and restated the Charles County Pension Plan (the "Plan").

The County determined that the Plan provisions should be amended to change the designation of the County's Mobile-Integrated Health Nurses as from "Non-Public Safety Participants" to "Public Safety Participants." Furthermore, the County adopted a new Public Safety Participant job classification of "Hazmat Technician" for designation under the Plan.

Therefore, the Plan, as amended and restated, is hereby further amended effective September 26, 2022 and October 1, 2022 as follows:

FIRST CHANGE

The definition of "Dual Service Participant" in Section 2 shall be amended to read as follows:

Dual Service Participant - A Participant who has accrued credit for Service after July 1, 2004 by virtue of employment for the Employer in the capacity of both a Non-Public Safety Participant and a Public Safety Participant. Notwithstanding the foregoing, a Participant who is classified as a "Mobile-Integrated Health Nurse" whose first day of Service for the Employer is prior to October 1, 2022, will become a Dual Service Participant effective October 1, 2022.

SECOND CHANGE

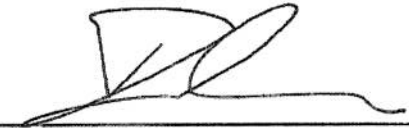
The definition of "Public Safety Participant" in Section 2 shall be amended to read as follows:


Public Safety Participant - An Employee who (A) is a Participant, (B) is employed by the Employer as a Paramedic or an Emergency Medical Technician, and (C) either (1) made an irrevocable election effective July 1, 2004 to be treated as a "Public Safety Participant," for purposes of the Plan or (2) commenced Service with the Employer on or after July 1, 2004. Effective September 26, 2022, a "Public Safety Participant" includes an Employee who (D) is a Participant and (E) is employed by the Employer as a Hazmat

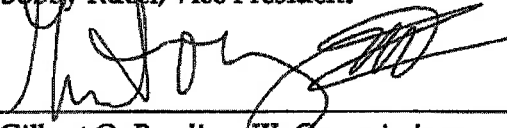
Technician. Effective October 1, 2022, a "Public Safety Participant" includes an Employee who (F) is a Participant, and (G) is employed by the Employer as a Mobile-Integrated Health Nurse.

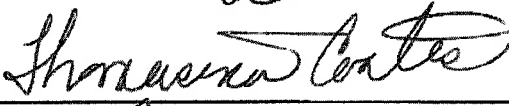
The County Commissioners of Charles County, Maryland hereby cause this Amendment 2022-2 to the Charles County Pension Plan to be executed this 27th day of September, 2022.

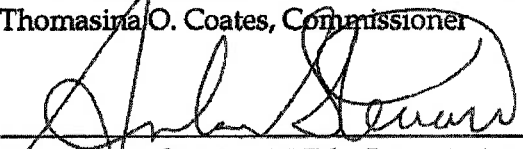
COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND


Reuben B. Collins, II, Esquire, President


Bobby Rucci, Vice President


Gilbert O. Bowling, III, Commissioner


Thomasina O. Coates, Commissioner


Amanda M. Stewart, M.Ed., Commissioner

AMENDMENT 2024-1
TO THE
CHARLES COUNTY PENSION PLAN

Effective July 1, 2018, the County Commissioners of Charles County, Maryland (the "County") amended and restated the Charles County Pension Plan (the "Plan").

The County determined that the Plan should be amended to provide for enhanced retirement benefits for employees working in Animal Control Services. Furthermore, the County adopted a new Public Safety Participant job classification for designation under the Plan.

Therefore, the Plan, as amended and restated, is hereby further amended effective July 1, 2024 as follows:

FIRST CHANGE

The definition of "Early Retirement Date" in Section 2 is amended to read as follows:

Early Retirement Date - (A) With respect to a Non-Public Safety Participant, any date occurring on or after: (1) the Participant's 52nd birthday, and (2) the first day on which a Participant has completed at least five Years of Service, and is within ten years of, but prior to, the date the Non-Public Safety Participant will reach his or her Normal Retirement Date. Notwithstanding the foregoing, with respect to a Non-Public Safety Participant who continuously has been a Non-Public Safety Participant in the Plan and an Employee of the County since a date prior to July 1, 1977, "Early Retirement Date" shall be any date occurring on or after (3) the Non-Public Safety Participant's 50th birthday, and (4) the first day on which a Participant has completed at least five Years of Service, and is within ten years of, but prior to, the date the Non-Public Safety Participant will reach his or her Normal Retirement Date.

(B) With respect to a Public Safety Participant or Animal Control Services Public Safety Participant, any date occurring on or after the first day on which a Participant has completed at least 20 Years of Service, but prior to the date the Participant reaches a Normal Retirement Date.

(C) A Dual Service Participant will reach an Early Retirement Date determined pursuant to whichever subsection (A) or (B) of this definition of Early Retirement Date applies and the Participant's status as a Public Safety Participant, Animal Control Services Public Safety Participant, or Non-Public Safety Participant on the Participant's Termination Date.

SECOND CHANGE

The definition of "Non-Public Safety Participant" in Section 2 is amended to read as follows:

Non-Public Safety Participant - An Employee who is a Participant, but who is not a Public Safety Participant or an Animal Control Services Public Safety Participant.

THIRD CHANGE

The definition of "Normal Retirement Date" in Section 2 is amended to read as follows:

Normal Retirement Date -

A Public Safety Participant or Animal Control Services Public Safety Participant will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (A) the Participant's 60th birthday, or (B) the later of: (1) the date the Participant completes 25 Years of Service, or (2) the Participant's Termination Date.

A Non-Public Safety Participant will reach Normal Retirement Date on the earliest of the following dates:

(C) For benefit eligibility and vesting purposes, the date on which an actively employed Participant: (1) attains age 60, and (2) completes 20 Years of Service.

(D) For benefit eligibility and vesting purposes, the date on which an actively employed Participant: (1) attains age 62, and (2) completes five Years of Service.

(E) If a Participant was a participant in the Plan prior to July 1, 1977, the Participant will reach Normal Retirement Date, for all purposes, upon the Participant's 60th birthday, in accordance with the provisions of the Plan in effect prior to July 1, 1977.

(F) A Dual Service Participant will reach a Normal Retirement Date determined pursuant to whichever subsection (A), (B), (C), (D) or (E) of this definition of Normal Retirement Date applies, based upon the Participant's status as a Public Safety Participant, an Animal Control Services Public Safety Participant, or Non-Public Safety Participant on the Participant's Termination Date. Notwithstanding the foregoing, if the Dual Service Participant earned less than ten Years of Service as a Public Safety Participant or an Animal Control Services Public Safety Participant as of the Participant's Termination Date, the Participant will be deemed to be a Non-Public Safety Participant for purposes of determining the Participant's Normal Retirement Date.

For all purposes under the Plan other than for purposes of determining a Participant's eligibility for benefits and Vesting Percentage, a Participant's Normal Retirement Date will occur on the first day of the month coincident with or next following the date the Participant would otherwise reach a Normal Retirement Date pursuant to (A), (B), (C) (D), (E) or (F) above, as applicable.

FOURTH CHANGE

The definition of "Participant" in Section 2 is amended to read as follows:

Participant - Any Employee who becomes covered under this Plan. The term "Participant" shall include "Public Safety Participants," "Animal Control Services Public Safety Participants," and "Non-Public Safety Participants."

FIFTH CHANGE

The definition of "Public Safety Participant" in Section 2 is amended to read as follows:

Public Safety Participant - An Employee who (A) is a Participant, (B) is employed by the Employer as a Paramedic or an Emergency Medical Technician, and (C) either (1) made an irrevocable election effective July 1, 2004 to be treated as a "Public Safety Participant," for purposes of the Plan or (2) commenced Service with the Employer on or after July 1, 2004. Effective September 26, 2022, a "Public Safety Participant" includes an Employee who (D) is a Participant and (E) is employed by the Employer as a Hazmat Technician. Effective October 1, 2022 through June 30, 2024, a "Public Safety Participant" includes an Employee who (F) is a Participant, and (G) is employed by the Employer as a Mobile-Integrated Health Nurse. A Public Safety Participant shall also include a Mobile Integrated Healthcare Program Manager, Mobile Integrated Healthcare Supervisor, Emergency Medical Services Logistics Technician, Health and Safety Officer, and Chief, Assistant Chief, Captain, and Lieutenant of Emergency Medical Services.

SIXTH CHANGE

The definition of "Vesting Percentage" is amended to read as follows:

Vesting Percentage - With respect to a Non-Public Safety Participant who became an Employee prior to July 1, 1997, the percentage which may be applied to a Non-Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 2 years | 0% |
| 2 years | 25% |
| 3 years | 50% |
| 4 years | 75% |
| 5 years or more | 100% |

With respect to a Non-Public Safety Participant who became an Employee on or after July 1, 1997, the percentage which may be applied to the Non-Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 5 years | 0% |
| 5 years or more | 100% |

With respect to a Public Safety Participant who reaches a Termination Date prior to November 1, 2018, the percentage which may be applied to the Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 20 years | 0% |
| 20 years or more | 100% |

With respect to a Public Safety Participant or Animal Control Services Public Safety Participant who reaches a Termination Date on or after November 1, 2018, the percentage which may be applied to the Public Safety Participant's or Animal Control Services Public Safety Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 5 years | 0% |
| 5 years or more | 100% |

Notwithstanding the foregoing, schedules, when an actively employed Participant attains the applicable Normal Retirement Date described in this Section 2, the Participant's Vesting Percentage will be 100%, and further provided that if a Participant's job classification is transferred from the jurisdiction of the Employer to the jurisdiction of the State of Maryland, his Vesting Percentage will be 100%. Further provided that a Participant is always 100% vested in the Employee Contributions Benefit.

SEVENTH CHANGE

Section 2 is further amended with the addition of the following definition:

Animal Control Services Public Safety Participant – A Participant classified by the County as an employee employed in the Animal Control Services division of the County. Notwithstanding the effective date of this provision, an Employee's service as an Animal Control Services Public Safety Participant for purposes of this Plan will be determined from the Employee's date of hire for the Employer in the capacity of an Animal Control Services Public Safety Participant.

EIGHTH CHANGE

Section 4.1 shall be amended to read as follows:

4.1 Normal Retirement Benefit

(A) General Provisions

Except as otherwise provided in this Section 4, a Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her Normal Retirement Date shall be entitled to receive an annual, level retirement income, beginning with the first day of the month coincident with or otherwise next following his or her Retirement Date and continuing for the remainder of his or her life.

(B) Minimum Benefit

If a Participant who receives benefits in the Modified Cash Refund Form pursuant to this Section 4.1, and does not elect an optional form of benefit under Section 10, dies before receiving payments equal in value to the Participant's Employee Contributions Benefit, determined at the time of his or her Termination Date, the balance of the value of the Participant's accumulated contributions shall be paid to his or her Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 8.3.

(C) Amount of Benefit

Subject to the limitations set forth in Sections 4.5 and 6.2, the amount of the monthly retirement income shall be equal to the following:

(1) Non-Public Safety Participants

(a) 1.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant, plus

(b) 1.75% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of five Years of Service, but not in excess of ten Years of Service, plus

(c) 2.0% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of ten Years of Service, but not in excess of fifteen Years of Service, plus

(d) 2.25% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by lesser of: (i) five, or (ii) the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of fifteen Years of Service, but not in excess of twenty Years of Service, plus

(e) 2.5% multiplied by the Non-Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Non-Public Safety Participant in excess of twenty Years of Service.

(2) Public Safety Participant

(a) With respect to Public Safety Participants who reaches a Termination Date on or after July 1, 2021:

(i) 2.5% multiplied by the Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Public Safety Participant, plus

(ii) one percent, multiplied by the Public Safety Participant's Final Average Earnings, if the Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Public Safety

Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(2)(a)(ii).

(b) With respect to Public Safety Participants who reaches a Termination Date prior to July 1, 2021:

(i) two percent multiplied by the Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Public Safety Participant, plus

(ii) one percent, multiplied by the Public Safety Participant's Final Average Earnings, if the Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Public Safety Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(2)(b)(ii).

(3) Animal Control Services Public Safety Participant

(a) With respect to Animal Control Services Public Safety Participants who reach a Termination Date on or after July 1, 2024:

(i) 2.5% multiplied by the Animal Control Services Public Safety Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Animal Control Services Public Safety Participant, plus

(ii) one percent, multiplied by the Animal Control Services Public Safety Participant's Final Average Earnings, if the Animal Control Services Public Safety Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Animal Control Services Public Safety Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Animal Control Services Public Safety Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(C)(3)(a)(ii).

(4) Dual Service Participants

The annual retirement income for Dual Service Participants shall be calculated as follows:

(a) The annual retirement benefit determined pursuant to Section 4.1(C)(1), 4.1(C)(2), or 4.1(C)(3) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant, Animal Control Services Public Safety Participant, or Non-Public Safety Participant at the time or times the Dual Service Participant changed status, determined on the basis of the Dual Service Participant's Final Average Earnings as if the Dual Service Participant's Retirement Date were the date of the change or changes in status as a Public Safety Participant, Animal Control Services Public Safety Participant, or Non-Public Safety Participant, plus

(b) The annual retirement benefit determined pursuant to Section 4.1(C)(1), 4.1(C)(2), or 4.1(C)(3) hereof, whichever reflects the Dual Service Participant's status as a Public Safety Participant, Animal Control Services Public Safety Participant, or Non-Public Safety Participant as of the Dual Service Participant's Retirement Date, determined on the basis of the Dual Service Participant's Final Average Earnings as of the Participant's Retirement Date, plus

(c) The Dual Service Participant's credit for accrued sick leave, determined pursuant to Section 4.1(C)(2)(a)(ii), 4.1(C)(2)(b)(ii), or 4.1(C)(3)(a)(ii) if the Dual Service Participant is a Public Safety Participant or Animal Control Services Public Safety Participant as of the Dual Service Participant's Termination Date, or determined pursuant to Section 6.5 if the Dual Service Participant is a Non-Public Safety Participant as of the Dual Service Participant's Termination Date.

(D) Maximum Benefit

(1) Notwithstanding the foregoing, in no event will a Non-Public Safety Participant's annual retirement income calculated pursuant to this Section 4.1(C)(1) as of the Non-Public Safety Participant's Retirement Date exceed 65% multiplied by the Non-Public Safety Participant's Final Average Earnings.

(2) Notwithstanding the foregoing, in no event will a Public Safety Participant's or Animal Control Service Public Safety Participant's annual retirement income calculated pursuant to Section 4.1(C)(2) or Section 4.1(C)(3) as of the Public Safety Participant's or Animal Control Service Public Safety Participant's Retirement Date exceed 75% multiplied by the Public Safety Participant's or Animal Control Service Public Safety Participant's Final Average Earnings.

NINTH CHANGE

Section 5 shall be amended by the addition of the following subsection 5.4:

5.4 Provisions Applicable to Animal Control Services Public Safety Participants

The provisions of this Section 5 shall apply to Animal Control Services Public Safety Participants effective July 1, 2024.

TENTH CHANGE

Section 6.2(E) shall be amended to read as follows:

(E) Military Service

(1) If a Participant's service with the Employer is interrupted by Military Service, the Participant will receive credit for Years of Service to the extent of the amount of Military Service (to a maximum of five Years of Service with respect to a Non-Public Safety Participant and to a maximum of three Years of Service with respect to a Public Safety Participant or Animal Control Services Public Safety Participant, unless a greater amount of service credit is required by law,) provided that the Participant resumes employment with the County within one year of discharge from Military Service, and provided the Participant repays to the Plan the amount of any Cash-Out, made to the Participant on account of the Participant's Military Service, plus interest compounded monthly at the rate of 7.25% per year.

ELEVENTH CHANGE

Section 7.4 shall be amended to read as follows:

7.4 Pick-Up Contributions

Under limited circumstances described below, Participant contributions and monies from other retirement plans may be transferred to the Fund.

(A) County Pick-Up Contributions

In accordance with rules established by the County, each Non-Public Safety Participant shall make contributions to the Plan equal to 4% of Earnings. In accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 7% of Earnings. Effective for the first full payroll period beginning on or after July 1, 2021, and in accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 8% of Earnings. Effective for the first full payroll period beginning on or after July 1, 2024, and in accordance with rules established by the County, each Animal Control Services Public Safety Participant shall make contributions to the Plan equal to 8% of Earnings. The

Participant contributions referred to in this Section 7.4 shall be picked up by the County, as described in Code section 414(h)(2), deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Fund with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The Participant will not have the option of choosing to receive the contributed amounts directly instead of having them paid directly by the County to the Plan. The contributions made pursuant to this Section 7.4 shall be made a part of the Participant's Employee Contributions Benefit, and as such, a part of the Participant's Accrued Benefit.

(B) Suspension of Contributions

A Participant's salary reduction contributions shall be automatically suspended for any payroll period during which he or she is not employed as an Employee in an Eligible Class or during which the Employee is on an unpaid leave of absence. A Non-Public Safety Participant's salary reduction contributions shall automatically cease as of the first payroll period following the date the Non-Public Safety Participant has received credit for 31 Years of Service, exclusive of credit awarded pursuant to 6.5. Except as otherwise provided in this Section 7.4(B) or in this Plan, a Public Safety Participant's or Animal Control Services Public Safety Participant's salary reduction contributions shall not cease until the Public Safety Participant or Animal Control Services Participant reaches a Termination Date.

(C) Withdrawals of Pick-Up Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(D) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.4, then, the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(E) Vesting of Pick-Up Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions, picked up by the County and made or transferred to the Plan, shall be fully vested at all times.

(F) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(G) Plan Termination

In the event of a termination of the Plan, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund, other than those attributable to contributions made pursuant to Section 7.5

TWELFTH CHANGE

Section 8.1 shall be amended to read as follows:

8.1 Preretirement Spouse Benefit

(A) Eligibility - Non-Public Safety Participant

Upon the death of a Non-Public Safety Participant prior to his or her Retirement Date or Normal Retirement Date, whichever is earlier, the Non-Public Safety Participant's Spouse will receive a Preretirement Spouse Benefit as described below, if all of the following applicable requirements were met on the date of the Non-Public Safety Participant's death:

(1) The Non-Public Safety Participant had not attained his or her Retirement Date or Normal Retirement Date, whichever is earlier,

(2) The Non-Public Safety Participant had been married to a Spouse for at least one year,

(3) The Non-Public Safety Participant had not terminated Service for the Employer in an Eligible Class,

(4) The Non-Public Safety Participant had attained age 55, and

(5) The Non-Public Safety Participant had completed five Years of Service including, for these purposes, service transferred pursuant to Section 6.2

(B) Amount of Benefit - Non-Public Safety Participant

The yearly amount of the Preretirement Spouse Benefit will be equal to 50% of the retirement income the Non-Public Safety Participant would have received in

accordance with Section 4.1 of this Plan, based on Service earned as of the first day of the month on or next preceding the date of the Non-Public Safety Participant's death and without taking into account the actuarial reduction for payment prior to Normal Retirement Date.

If the surviving Spouse is ten or more years younger than the Non-Public Safety Participant, the benefit payable to the surviving Spouse will be reduced by one percent for each full year in excess of nine years that the surviving Spouse is younger than the Non-Public Safety Participant.

(C) Payment of Benefit - Non-Public Safety Participant

The Preretirement Spouse Benefit will be payable on a monthly basis and each payment will be equal to 1/12th of the annual benefit determined pursuant to Section 8.1(B). The initial monthly payment will be made as of the first day of the month next following the Non-Public Safety Participant's death, with subsequent monthly payments being made as of the first day of the month thereafter, until the date of the Spouse's death.

When the final retirement income payment has been made under the Preretirement Spouse Benefit, the Non-Public Safety Participant's or Spouse's Beneficiary will receive a refund equal to the excess, if any, of (1) over (2), below, where:

"(1)" Is the Non-Public Safety Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death, and

"(2)" Is the sum of the retirement income payments.

However, no such refund will be paid if the Non-Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(D) Eligibility - Public Safety Participant and Animal Control Services Public Safety Participant

Upon the death of a Public Safety Participant or Animal Control Services Public Safety Participant prior to his or her Retirement Date or Normal Retirement Date, whichever is earlier, the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse will receive a Preretirement Spouse Benefit as described below, if all of the following applicable requirements were met on the date of the Public Safety Participant's or Animal Control Services Public Safety Participant's death:

(1) The Public Safety Participant or Animal Control Services Public Safety Participant had not attained his or her Retirement Date or Normal Retirement Date, whichever is earlier,

(2) The Public Safety Participant or Animal Control Services Public Safety Participant had been married to a Spouse for at least one year, and

(3) The Public Safety Participant or Animal Control Services Public Safety Participant had not terminated Service for the Employer in an Eligible Class.

Upon the death of a Public Safety Participant or Animal Control Services Public Safety Participant whose Spouse does not survive him or her, or in the event of the Spouse's death after the Public Safety Participant's or Animal Control Services Public Safety Participant's death, each Dependent Child shall be eligible to have an equal share of the Spouse Benefit provided for him or her.

(E) Amount of Benefit - Public Safety Participant or Animal Control Services Public Safety Participant

In the case of a Public Safety Participant or Animal Control Services Public Safety Participant whose death is directly related to an on-duty cause, the annual retirement income will be equal to 66-2/3% of the Public Safety Participant's or Animal Control Services Public Safety Participant's Final Average Earnings, less any survivor benefits payable under the federal Social Security Act.

In the case of a Public Safety Participant or Animal Control Services Public Safety Participant whose death is not directly related to an on-duty cause, the yearly amount will be equal to 100% of the retirement income the Public Safety Participant or Animal Control Services Public Safety Participant would have received in accordance with Section 4.1 of this Plan, based on Service earned as of the first day of the month on or next preceding the date of death.

If the surviving Spouse is ten or more years younger than the Public Safety Participant or Animal Control Services Public Safety Participant, the benefit payable to the surviving Spouse will be reduced by one percent for each full year in excess of nine years that the surviving Spouse is younger than the Public Safety Participant or Animal Control Services Public Safety Participant.

If the Preretirement Spouse Benefit is to be provided to more than one Dependent Child, the benefit shall be divided equally among the Dependent Children.

(F) Payment of Benefit - Public Safety Participant or Animal Control Services Public Safety Participant

The Preretirement Spouse Benefit will be payable on a monthly basis and each payment will be equal to 1/12th of the annual benefit. The initial monthly payment will be made as of the first day of the month next following the Public Safety Participant's or Animal Control Services Public Safety Participant's or Spouse's death, as the case may be, with subsequent monthly payments being made as of the first day of the month thereafter, until the earlier of the following dates:

(1) The date of the Spouse's death, but only if the Public Safety Participant or Animal Control Services Public Safety Participant is not survived by Dependent Children,

(2) The date of the Spouse's remarriage, or

(3) The earlier of: (1) the date a Dependent Child receiving benefits ceases to qualify as a "Dependent Child" pursuant to Section 2, or (2) the date of such Dependent Child's death, but only with respect to payments being made to such Dependent Child.

When the final retirement income payment has been made under the Preretirement Spouse Benefit (including payments to Dependent Children, if any) the Public Safety Participant's or Animal Control Services Public Safety Participant's Beneficiary will receive a refund equal to the excess, if any, of (1) over (2), below, where:

"(1)" Is the Employee Contributions Benefit together with interest computed thereon to the date of death, and

"(2)" Is the sum of the retirement income payments made through the date of death.

However, no such refund will be paid if the Public Safety Participant or Animal Control Services Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(G) Qualified Domestic Relations Orders

In the event that, as a result of implementation of a Qualified Domestic Relations Order, as defined in Code section 414(p), more than one individual is to be treated as the Spouse of a Participant for purposes of this Preretirement Spouse Benefit, the total amount that will be paid as a Preretirement Spouse Benefit to such individuals will not exceed the amount payable if there were only one Spouse.

THIRTEENTH CHANGE

Section 8.2 shall be amended to read as follows:

8.2 Other Death Benefits

(A) Death Before Retirement Date - Non-Public Safety Participant

(1) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Non-Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Non-Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death. However, no such refund will be paid if the Non-Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(B) Death After Normal Retirement Date - Non-Public Safety Participant

(1) The preceding provisions of this Section 8 notwithstanding, if a Non-Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Non-Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) (a) If a Non-Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of the Non-Public Safety Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Non-Public Safety Participant's death.

(b) If a Non-Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Non-Public Safety Participant had reached a Termination Date on the day before his or her death, elected to receive payment of benefits in the form of a

Contingent Pensioner Option with a 100% benefit continuing to the Non-Public Safety Participant's Spouse.

(C) Death Before Retirement Date - Public Safety Participant or Animal Control Services Public Safety Participant

(1) If a Public Safety Participant or Animal Control Services Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Public Safety Participant or Animal Control Services Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Public Safety Participant's or Animal Control Services Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit together with interest computed thereon to the date of death. However, no such refund will be paid if the Public Safety Participant or Animal Control Services Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(D) Death After Normal Retirement Date - Public Safety Participant or Animal Control Services Public Safety Participant

(1) If a Public Safety Participant or Animal Control Services Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant or Animal Control Services Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Public Safety Participant's or Animal Control Services Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) In addition, if a Public Safety Participant or Animal Control Services Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant or Animal Control Services Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's or Animal Control Services Public Safety Participant's Beneficiary will receive a Cash-Out of the Employee Contributions Benefit together

with interest computed thereon to the date of the Public Safety Participant's or Animal Control Services Public Safety Participant's death.

(3) If a Public Safety Participant or Animal Control Services Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard to whether the Public Safety Participant or Animal Control Services Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Public Safety Participant or Animal Control Services Public Safety Participant had reached a Termination Date on the day before his or her death and had elected to receive payment of benefits in the form of a Joint and Survivor Benefit Option with a 100% benefit continuing to the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse.

FOURTEENTH CHANGE

Section 8.4 is amended to read as follows:

8.4 Death Benefits Following Disability.

(A) If a Public Safety Participant or Animal Control Services Public Safety Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, one-half of the annual disability retirement income will continue to be paid:

(1) To the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse if the Public Safety Participant or Animal Control Services Public Safety Participant is married on the date of death, until the first day of the month preceding the earlier of: (a) the Spouse's death, or (b) the Spouse's remarriage prior to his or her attaining age 60, or

(2) If the Public Safety Participant or Animal Control Services Public Safety Participant is not married on the date of death, or if the Public Safety Participant's or Animal Control Services Public Safety Participant's Spouse dies after beginning to receive the annual disability retirement income, but before all of the Public Safety Participant's or Animal Control Services Public Safety Participant's Dependent Children attain age 18, the annual disability retirement income will be equally divided among the surviving children under the age of 18 and paid to the surviving children under the age of 18 until the youngest of the Dependent Children attains age 18. Payments to a surviving child of the Public Safety Participant or Animal Control Services Public Safety Participant will cease as of the first day of the month preceding such child's eighteenth birthday and the annual disability retirement income will then

be paid to the remaining child or divided among the remaining children of the Public Safety Participant or Animal Control Services Public Safety Participant who is or are under the age of 18. Payment of the annual disability retirement income will continue until the first day of the month preceding the date the youngest child attains age 18.

(B) If a Public Safety Participant or Animal Control Services Public Safety Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, and is not survived by either a Spouse or a least one child under the age of 18, no death benefits will be payable.

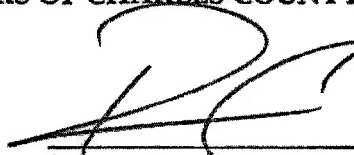
FIFTEENTH CHANGE


Section 12.3(R) shall be amended to read as follows:

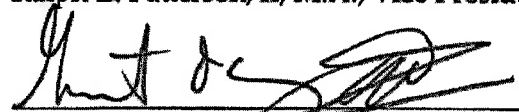
(R) Grant or deny a Public Safety Participant's or Animal Control Services Public Safety Participant's initial claim for disability benefits, which powers will be granted to a Disability Review Board.

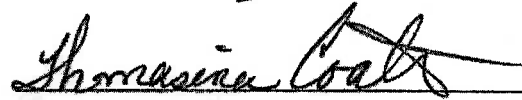
The County Commissioners of Charles County, Maryland hereby cause this Amendment 2024-1 to the Charles County Pension Plan to be executed this 11th day of June, 2024.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND


Reuben B. Collins, II, Esquire, President


Ralph E. Patterson, II, M.A., Vice President


Gilbert O. Bowling, III, Commissioner


Thomasina O. Coates, Commissioner


Amanda M. Stewart, M.Ed., Commissioner

**AMENDMENT 2025-1
TO THE
CHARLES COUNTY PENSION PLAN**

Effective November 1, 2018, the County Commissioners of Charles County, Maryland amended and restated the Charles County Pension Plan (the "Plan").

The Plan, as amended and restated, and as subsequently amended, is hereby further amended effective July 1, 2025, as follows:

FIRST CHANGE

The definition of "Employee Contributions Benefit" in Section 2 is amended to read as follows:

Employee Contributions Benefit - The sum of the following amounts (net of any previous distributions):

(A) The contributions made by the Participant through salary reduction and "picked up" by the Employer, as described in Section 7.4; plus

(B) The contributions made by the Participant through salary reduction prior to January 1, 1992 which were not "picked up" by the Employer; plus

(C) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), and picked up by another Government Employer, all of which are thereafter transferred to the Plan; plus

(D) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), through transfer from another Government Employer Retirement Plan which were not picked up by such Government Employer; plus

(E) The contributions made by the Participant to purchase service, pursuant to Section 6.3; plus

(F) Subject to Section 4.4(C), interest of five percent on the amounts described in (A) through (E) above computed on July 1 of each year and compounded annually.

SECOND CHANGE

3.2 Re-Employment

(A) Re-Employment as Elected Official

If a Participant whose Termination of Service has occurred is re-employed in the Eligible Class within eight years following his Termination of Service and is re-employed by the County as an elected official, the normal retirement income as determined in Section 4, and the Service which had been accrued by him at the time of his prior Termination shall be reinstated upon such re-employment provided that he then meets the following requirements:

(1) At or after such Termination, either (a) he did not receive a refund of his Employee Contributions Benefit, or (b) if he did receive a refund of his Employee Contributions Benefit, he repays the full amount of the Cash-Out, plus interest from the date of distribution to the date of repayment at the rate of five percent per annum compounded annually no later than the three month anniversary of the date of such re-employment; and

(2) He elects to again make employee contributions under this Plan within 31 days of such re-employment; and

(3) He has not attained his Normal Retirement Date prior to such re-employment.

(B) Re-Employment in an Eligible Class (other than Elected Official)

Subject to Section 6.2, an Employee whose Service for the Employer ceases, but who is subsequently re-employed by the Employer in an Eligible Class on a date which is more than twelve months following the date the Participant ceased to be employed by the Employer, shall be considered a new Employee for the purposes of this Plan. However, an Employee whose Service for the Employer ceases, but who is subsequently re-employed by the Employer in an Eligible Class on a date which is twelve months or less following the date the Participant ceased to be employed by the Employer, shall not be considered a new Employee for the purposes of this Plan. In no event will an Employee forfeit any previously Accrued Benefit if either: (1) he does not receive a refund of his Employee Contributions Benefit during the cessation of Service, or (2) if he repays the full amount of the Cash-Out, plus interest from the date of distribution to the date of repayment at the rate of five percent per annum compounded annually no later than the three month anniversary of the date of such re-employment.

(C) Re-Employment by Employer

Effective July 1, 1997, the annual retirement income of a Participant who: (1) ceased to be employed by the Employer, (2) began receiving benefit payments pursuant to this Plan and (3) was re-employed by the Employer on a date which is more than twelve months following the date the Participant ceased to be employed by the Employer, shall be adjusted so that the benefit earned during the period of the Participant's re-employment shall not exceed the Participant's Employee Contributions Benefit earned during the period of re-employment.

THIRD CHANGE

Section 4.4 is amended to read as follows:

4.4 Other Terminations of Employment

(A) If a Participant reaches a Termination Date before reaching an Early or Normal Retirement Date, or for reasons other than death, the Participant may elect to receive a Cash-Out of his or her Employee Contributions Benefit, as provided in Section 10.4 in which case such Cash-Out shall be made within an administratively reasonable period of time following the Participant's Termination Date and the Participant's election.

(B) Alternatively, each Participant who reaches a Termination Date before reaching an Early or Normal Retirement Date or for reason other than death will be eligible to receive a vested retirement income commencing upon his Normal Retirement Date, provided the Participant's Vested Percentage is greater than 0% and he or she did not elect to receive a Cash-Out of the Employee Contributions Benefit.

At any time within the 10-year period immediately preceding his or her Normal Retirement Date, a Participant may instead elect to receive retirement income commencing on the first day of any month following the date the election is made, provided he has completed five Years of Service. Such election must specify the date the retirement income will commence.

The yearly amount of vested retirement income payable to such Participant will be equal to the amount described in Section 4 as in effect on his Termination Date, based on the Years of Service earned through the date of the Participant's Termination Date, and then adjusted by

- (1) multiplying by the Participant's Vesting Percentage, and
- (2) multiplying by the appropriate early retirement Adjustment Factor set forth in Table I.

(C) Effective July 1, 2025, with respect to a Participant who reaches a Termination Date without receiving credit for Years of Service sufficient to provide the Participant with 100% vesting credit in the portion of the Participant's Accrued Benefit not attributable to the Participant's Employee Contributions Benefit, the interest credit on such Participant's Employee Contributions Benefit described in subsection (F) of the definition of "Employee Contributions Benefit" in Section 2 will cease being added to the Participant's Employee Contributions Benefit as of the July 1 immediately following the Participant's Termination Date. In the event a Participant reaches a Termination Date and is subsequently reemployed as an Employee, whether or not employed in an Eligible Class the interest credit on such Participant's Employee Contributions Benefit will resume as of the first June 30 following the Participant's Reemployment Commencement Date. For purposes of clarity, the provisions of this Section 4.4(C) shall not apply to a Participant who ceases to be employed by the Employer in an Eligible Class, but continues in the employ of the Employer as provided in Section 3.3.

(D) Notwithstanding the above, if the value of the Employee Contributions Benefit of a Participant who has reached a Termination Date without receiving credit for Years of Service sufficient to provide the Participant with 100% vesting credit in the portion of the Participant's

Accrued Benefit not attributable to the Participant's Employee Contributions Benefit does not exceed \$1,000, the Participant will receive a Cash-Out distribution of the Employee Contributions Benefit. If the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a "direct rollover" in accordance with Section 10.3 or to receive the distribution directly, the Plan Administrator shall direct that the entire distribution be paid to such Participant in a single lump-sum as soon as practical without regard to the consent of the Participant. If the value of the Employee Contributions Benefit of a Participant who has reached a Termination Date without receiving credit for Years of Service sufficient to provide the Participant with 100% vesting credit in the portion of the Participant's Accrued Benefit not attributable to the Participant's Employee Contributions Benefit is greater than \$1,000 but does not exceed \$7,000, the Participant will receive a Cash-Out distribution of the Employee Contributions Benefit. If the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a "direct rollover" in accordance with Section 10.3 or to receive the distribution directly, then the Plan Administrator will directly transfer such amount to an individual retirement account described in Code §408(a) designated by the Plan Administrator to the extent the chosen provider will accept the assets. If the chosen provider will not accept the assets, no mandatory distribution will be made for the Participant. However, if the Participant elects to receive the distribution directly or make a "direct rollover", then the Plan Administrator shall direct the Trustee to cause the entire Employee Contributions Benefit to be paid to such Participant in a single lump sum, or make a "direct rollover" pursuant to Section 10.3.

FOURTH CHANGE

Section 6.2(C) is amended to read as follows:

(C) Reserved.

FIFTH CHANGE

Section 7.4 is amended to read as follows:

7.4 Pick-Up Contributions

Under limited circumstances described below, Participant contributions and monies from other retirement plans may be transferred to the Fund.

(A) County Pick-Up Contributions

In accordance with rules established by the County, each Non-Public Safety Participant shall make contributions to the Plan equal to 4% of Earnings. In accordance with rules established by the County, each Public Safety Participant shall make contributions to the Plan equal to 7% of Earnings. The Participant contributions referred to in this Section 7.4 shall be picked up by the County, as described in Code section 414(h)(2), deducted from the pay of the contributing

Participants as salary reduction contributions, and paid by the County to the Fund with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The Participant will not have the option of choosing to receive the contributed amounts directly instead of having them paid directly by the County to the Plan. The contributions made pursuant to this Section 7.4 shall be made a part of the Participant's Employee Contributions Benefit, and as such, a part of the Participant's Accrued Benefit.

(B) Suspension of Contributions

A Participant's salary reduction contributions shall be automatically suspended for any payroll period during which he or she is not employed as an Employee in an Eligible Class or during which the Employee is on an unpaid leave of absence. A Non-Public Safety Participant's salary reduction contributions shall automatically cease as of the first payroll period following the date the Non-Public Safety Participant has received credit for 31 Years of Service, exclusive of credit awarded pursuant to 6.5. Except as otherwise provided in this Section 7.4(B) or in this Plan, a Public Safety Participant's salary reduction contributions shall not cease until the Public Safety Participant reaches a Termination Date.

(C) Withdrawals of Pick-Up Contributions

Subject to Section 4.4(D) and subject to the right of repayment of a Cash-Out pursuant to Section 3.2(D), a Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan. In the event a Participant repays the Cash-Out, plus interest, in accordance with Section 3.2, the Participant's Accrued Benefit shall be restored.

(D) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.4, then, the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(E) Vesting of Pick-Up Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions, picked up by the County and made or transferred to the Plan, shall be fully vested at all times.

(F) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

SIXTH CHANGE

Section 7.5 is amended to read as follows:

7.5 Other Participant Contributions

In accordance with Section 6.3 of this Plan, other Participant contributions may be accepted by the Plan.

(A) Characterization

The contributions made pursuant to this Section 7.5 shall be distinct from those made pursuant to Section 7.4 as to the character of such contributions. Whereas Section 7.4 contributions shall be classified as County contributions picked up from the pay of Participants, contributions made pursuant to this Section 7.5 shall be after-tax contributions either made directly by the Participant or, in some cases, transferred from a retirement plan sponsored by another government employer.

(B) Procedures

All Participant contributions or transfers made pursuant to this Section 7.5 shall be paid to the Fund or, in the case of Participant contributions made in the form of payroll deductions, withheld by the County and remitted to the Fund.

(C) Separate Accounting

Participant contributions, whether made directly or transferred from another retirement plan shall be made a part of the Participant's Employee Contributions Benefit, which shall be a part of the Accrued Benefit of the Participant.

(D) Withdrawals of Participant Contributions

Subject to Section 4.4(D), a Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out of the Participant's Employee Contributions Benefit, by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(E) Forfeiture of Remaining Accrued Benefit

Subject to Section 4.4(D), and subject to the right of repayment of a Cash-Out pursuant to Section 3.2, in the event of a Cash-Out to a Participant pursuant to this Section 7.5, then the entire remaining portion of the Participant's Accrued Benefit shall be forfeited. In the event a Participant repays the Cash-Out, plus interest, in accordance with Section 3.2, the Participant's Accrued Benefit shall be restored.

(F) Vesting of Participant Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 7.5 shall be fully vested at all times.

(G) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(H) Plan Termination

In the event of a termination of the Plan, distribution of the portion of each Participant's Accrued Benefit attributable to Participant contributions shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund.

SEVENTH CHANGE

Section 8.2 is amended to read as follows:

8.2 Other Death Benefits

(A) Death Before Retirement Date - Non-Public Safety Participant

(1) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Non-Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Non-Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Non-Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit. However, no such refund will be paid if the Non-Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(B) Death After Normal Retirement Date - Non-Public Safety Participant

(1) The preceding provisions of this Section 8 notwithstanding, if a Non-Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Non-Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) (a) If a Non-Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Beneficiary will receive a Cash-Out of the Non-Public Safety Participant's Employee Contributions Benefit.

(b) If a Non-Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Non-Public Safety Participant had reached a Termination Date), but before his or her late Retirement Date and no optional form of payment is in effect, the Non-Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Non-Public Safety Participant had reached a Termination Date on the day before his or her death, elected to receive payment of benefits in the form of a Contingent Pensioner Option with a 100% benefit continuing to the Non-Public Safety Participant's Spouse.

(C) Death Before Retirement Date - Public Safety Participant

(1) If a Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Public Safety Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Public Safety Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Public Safety Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Public Safety Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit. However, no such refund will be paid if the Public Safety Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(D) Death After Normal Retirement Date - Public Safety Participant

(1) If a Public Safety Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Public Safety Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) In addition, if a Public Safety Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's Beneficiary will receive a Cash-Out of the Public Safety Participant's Employee Contributions Benefit.

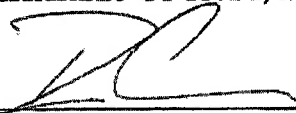
(3) If a Public Safety Participant who is married dies on or after his or her Normal Retirement Date (determined without regard to whether the Public Safety Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Public Safety Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Public Safety Participant had reached a Termination Date on the day before his or her death and had elected to receive payment of benefits in the form of a Joint and Survivor Benefit Option with a 100% benefit continuing to the Public Safety Participant's Spouse.

(G) Plan Termination

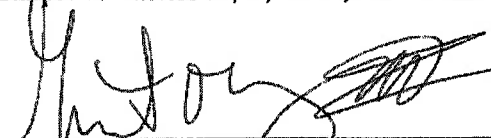
In the event of a termination of the Plan, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund, other than those attributable to contributions made pursuant to Section 7.5

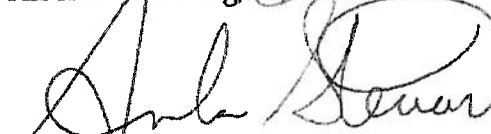
The County Commissioners of Charles County, Maryland hereby cause this Amendment 2025-1 to the Charles County Pension Plan to be executed this 13th day of May, 2025.

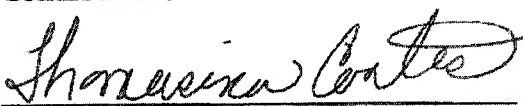
COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND


Reuben B. Collins, II, President


Ralph E. Patterson, II, M.A., Vice President


Gilbert O. Bowling, III, Commissioner


Amanda M. Stewart, Ed.D
Commissioner


Thomasina O. Coates, M.S.,
Commissioner

**AMENDMENT 2025-2
TO THE
CHARLES COUNTY PENSION PLAN**

Effective July 1, 2018, the County Commissioners of Charles County, Maryland (the "County") amended and restated the Charles County Pension Plan (the "Plan").

The County entered into a collective bargaining agreement with the International Association of Firefighters effective July 1, 2025 through June 30, 2029 that provides for special early retirement provisions for certain public safety employees resulting in the need to amend the Plan for the special early retirement provisions. The County also wishes to update the Plan to reflect changes to Maryland law governing service transfers.

Therefore, the Plan, as amended and restated, is hereby further amended effective July 1, 2025 as follows:

FIRST CHANGE

Section 4.2(A) is amended to read as follows:

(A) A Participant may elect to retire on any date on or after the first date which qualifies as an Early Retirement Date, in which case the Termination Date shall be deemed to be the Participant's Early Retirement Date and the Participant shall be entitled to receive an annual early retirement benefit equal to the benefit computed pursuant to Section 4.1 (based upon the Participant's actual Years of Service and Final Average Earnings at his or her Early Retirement Date), but subject to Section 4.7, subject to actuarial reduction for payment prior to the date which would have been the Participant's Normal Retirement Date.

The actuarial reduction for these purposes shall be in accordance with Table I, attached hereto and incorporated into this Plan by reference.

Early retirement benefits shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date, unless the Participant elects to have his or her benefits commence on the first day of any prior month coincident with or following his or her Early Retirement Date.

The benefits payable pursuant to this Section 4.2 shall be payable in the normal form provided by Section 4.1, unless an optional form of payment has been elected pursuant to Section 10.

SECOND CHANGE

Section 4.7 of the Plan is amended to read as follows:

4.7 Early Retirement Window

The Plan shall provide for a special early retirement window for Public Safety Participants, other than Animal Control Public Safety Participants, beginning July 1, 2025 and ending June 30, 2029, unless otherwise reflected in the collective bargaining agreement implemented between the County and the International Association of Firefighters.

- (A) Definitions: The following terms, as used for purposes of this Section 4.7 shall have the following meanings:
 - (1) "Window Program" means the special early retirement provisions set forth in this Section 4.7.
 - (2) "Eligible Participant" means a Public Safety Participant, other than an Animal Control Services Public Safety Participant who has earned at least 19 Years of Service, determined for purposes of determining the amount of a Participant's retirement benefit pursuant to Section 4.1, as of the July 1 of the Plan Year during which the Participant applies to participate in the Window Program.
- (B) Window Program Benefit: An Eligible Participant who elects to participate, and is accepted for participation in, the Window Program will receive the Early Retirement Benefit described in Section 4.2, without the Actuarial Reduction for payment before the Eligible Participant's Normal Retirement Date, determined as provided in Section 4.2. The Early Retirement Benefit, without the Actuarial Reduction, will be payable over the lifetime of the Participant, or the life of the Participant and the Contingent Pensioner or Beneficiary named in accordance with Section 10, as applicable.
- (C) Eligibility to Participate in Window Program
 - (1) Limitation on Eligible Participants: Between July 1, 2025 and June 30, 2029 and except as provided in subsection (C)(3) below, a maximum of eight Eligible Participants may participate in the Special Window Program.
 - (2) Further Limitation on Eligible Participants: No more than two Eligible Participants may participate in the Special Window

Program during any period beginning July 1 and ending on the following June 30 (the "Annual Election Period"). In the event more than two Eligible Participants apply to participate during any one of the Annual Election Periods, the eligibility will be determined on the basis of seniority with the County in terms of years, months, and days of employment with the County. In the event applicants have the same number of years, months, and days of employment with the County, eligibility will be determined on the basis of age with the oldest Eligible Participant being awarded participation in the Special Window Program.

- (3) Exceptions to the Limitations on Eligible Participants: The County, in its discretion, may allow more than eight Eligible Participants to participate in the Special Window Program between July 1, 2025 and June 30, 2029 and more than two Eligible Participants to participate in the Special Window Program between any Annual Election Period upon the majority vote of the Director of Emergency Services, the Director of Fiscal Administrative Services and the County Administrator, or the designee of any of those positions.
- (4) Timing of Election: Once a Participant becomes an Eligible Participant for purposes of this Section 4.7, he or she may elect to participate in the Special Window Program between July 1 and September 30 and submit a binding letter of resignation as of the July 16 of the year following the year the election to participate in the Special Window Program is made.
- (D) Irrevocability of Election: If an Eligible Participant applies to participate in the Special Window Program and the Eligible Participant is accepted as a Participant in the Special Window Program, the Eligible Participant's election becomes irrevocable.
- (E) Termination of Special Window Program: The Special Window Program will terminate effective June 30, 2029 with the need for further action by the County.


THIRD CHANGE

Section 6.2(C) is amended to read as follows:

- (C) Reserved.

The County Commissioners of Charles County, Maryland hereby cause this Amendment 2025-2 to the Charles County Pension Plan to be executed this 11th day of July, 2025.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND



Reuben B. Collins, II, Esquire, President



Ralph Patterson II (Jul 10, 2025 13:34 EDT)

Ralph E. Patterson, II, M.A., Vice President



Gilbert Bowling III (Jul 10, 2025 14:13 EDT)

Gilbert O. Bowling, III, Commissioner



Thomasina Coates (Jul 10, 2025 14:37 EDT)

Thomasina O. Coates, M.S. Commissioner



Amanda Stewart (Jul 11, 2025 18:33 EDT)

Amanda M. Stewart, Ed.D., Commissioner

BYLAWS OF THE CHARLES COUNTY PENSION PLAN RETIREMENT PLAN COMMITTEE

ARTICLE 1

MEMBERS

Section 1. General Provisions. The members of the Committee are those set forth in Section 12.2(A) of the Plan, as amended from time to time. Each member shall hold office until the member's successor is duly elected or appointed by the County and qualifies or until the member's death, resignation or removal in the manner provided in the Plan.

Section 2. Committee Chairperson. As required by the Plan, the County Administrator shall serve as Chairperson. The Chairperson presides over meetings of the Committee, implements Plan policies as determined by the Committee and administers the business affairs of the Committee.

Section 3. Vice-Chairperson. The majority of the members of the Committee shall elect from among the members a Vice-Chairperson. The Vice-Chairperson shall serve as Chairperson in the event that the Chairperson is temporarily unable to perform his or her duties. The Vice-Chairperson shall serve as such until a successor is elected by the Committee or until he or she is no longer a member of the committee, whichever comes sooner.

Section 4. Secretary. The majority of the members of the Committee shall select from among the members a Secretary who will perform the following duties:

- a. Keep written minutes of Committee proceedings.

- b. See that all notices are given as required by these bylaws, by law, or as the Chairman may direct.
- c. Keep a list of the post office addresses of each Committee member. Members are required to provide current addresses to the Secretary.
- d. Prepare all agendas.
- e. Perform other duties assigned by the Committee.

The Secretary, with the approval of a majority of the Committee, may appoint a recording secretary, who need not be a member of the Committee, to assist in the performance of his or her duties.

ARTICLE 2

COMMITTEE MEETING, QUORUM, VOTING

Section 1. Periodic Meetings. The periodic meetings of the Committee are called by the Chairperson.

Section 2. Special Meetings. Any member may call for a special meeting of the Committee. However, a special meeting may not be called to consider matters voted on by the Committee in the preceding 12 months. This limitation does not apply if newly enacted legislation (or government policy) requires the Committee to reconsider a matter voted on in the 12 month period.

Section 3. Notice to Members. The Chairperson must provide notice to each voting member between 5 and 60 days before each meeting of the Committee. The notice must be in writing and state the time, date and place of the meeting. In the case of a periodic meeting, the notice must state in general terms the matters proposed to be acted upon at the meeting. In the case of a special meeting, the notice must include the particular purpose of the meeting.

Section 4. Notice to the Public. The Chairperson will provide notice to the public of all meetings between 5 and 60 days before each meeting of the Committee.

The notice will be in writing, will state the time, date and place of the meeting and will include a statement indicating whether any part of the meeting might be conducted in a closed session. Notices to the public will be posted in a public location at or near the place of the meeting.

Section 5. Quorum. A quorum exists when 4 Committee members are present at a Committee meeting. If a quorum does not exist, the voting members present may adjourn the meeting and reconvene on another date. Notice of the reconvened meeting shall be given in accordance with the notice provisions contained in Sections 3 and 4. If the reconvened meeting is a periodic meeting, any business properly before the meeting may be acted upon. If the reconvened meeting is a special meeting, the Committee may only act upon the business scheduled for the adjourned special meeting.

Section 6. Proxies. A member may vote either in person or by a proxy executed in writing by the member to another member of the Committee. Every proxy must be filed with the Chairperson of the Committee before or at the time of the meeting. Proxies may be general or specific to one or more issues, but must be limited in duration to 30 days.

Section 7. Conduct of Meetings. Committee meetings shall be open to the public unless the Committee determines in accordance with the procedure of Section 8 below that all or a portion of the meeting shall not be open to the public. Any member of the public may attend any open meeting of the Committee, but shall not participate in any discussions unless requested to participate by the Chairperson or by a majority of the members who are present.

Meetings of the Committee shall not be audio or video recorded except under the direction of the Chairperson and with the consent of a majority of the members present.

Section 8. Closed Sessions.

a. Purposes. The Committee may meet in closed sessions (or adjourn an open session to a closed session) for any of the reasons in SG §10-508(a).

b. Procedures - Before going into closed session, the Chairperson shall conduct a recorded vote on the closing of the session and make a statement of the reason for closing the meeting including a citation of authority and a listing of topics to be discussed. As an example, the Chairperson may state that "The Committee will go into closed session to discuss a personnel matter affecting one or more specific individuals as authorized under SG §10-508(a)(ii)."

c. Minutes. The Committee shall keep separate minutes of actions taken in closed session. If the Committee meets in a closed session, the minutes of the next open meeting must include:

- (1) a statement of time, place and purpose of the closed session;
- (2) a record of the vote of each member as to closing the session.
- (3) a citation of the authority for closing the meeting under the Open Meetings Act, and
- (4) A listing of the topics of discussion, persons present and each action during the session.

Section 9. Voting. Each Committee member is entitled to one vote on any matter which properly before the Committee, provided that such matter does not specifically relate to his or her own participation in the Plan. Approval by a majority of the votes cast by its members present at a meeting of the Committee, duly called and at which a quorum is present shall be sufficient to approve any matter which is properly before the meeting, unless more than a majority is required by the Plan.

Section 10. Action by Committee Without Meeting. The Committee may take action without meeting provided:

- a. The action is described in a written consent document provided to all Committee members.
- b. Each Committee member eligible to vote signs the consent to take action without meeting, and records his or her vote.
- c. The consents are filed with the minutes of Committee proceedings.

Section 11. Voting by Ballot. The Committee may take voice votes unless the Chairperson or any member demands voting by ballot.

Section 12. Minutes. The Secretary shall keep written minutes of Committee proceedings. Minutes of open meetings (or portions of meetings which are open) shall be open to inspection by the public, during the regular business hours of the Department of Human Resources.

ARTICLE 3

CONTRACTS

From time to time, the Committee will recommend the execution of contracts or other instruments by the County. The Chairperson will present the information to the County Commissioners or have the document executed by the appropriate authority on behalf of the Committee per the normal purchasing procedures of the County.

ARTICLE 4

INDEMNIFICATION

Section 1. General. The Plan shall indemnify any present or former member of the Committee made a party to any proceeding by reason of service in his or her capacity as a member of the Committee, unless it is established that:

- a. The act or omission of the member was material to the matter giving rise to the proceeding; and
 - 1. Was the result of his or her own willful misconduct; or

2. Was the result of his or her own gross negligence; or
- b. The member actually received an improper personal benefit in money, property or services; or
- c. In the case of any criminal proceeding, the member had reasonable cause to believe that the act was unlawful.

Indemnification may be against judgments, penalties, fines, settlements and reasonable expenses actually incurred by a member in connection with the proceeding.

The Committee shall procure and maintain the necessary insurance to indemnify the present members and former members of the Committee as herein provided.

The Committee may in its discretion extend the indemnification provisions set forth above to any employee or agent of the Committee.

Section 2. Advancement of Expenses. The Committee may recommend to the County Commissioners the payment or reimbursement of reasonable expenses of a member (or agent or employee) who is made a party to any proceeding, suit or action. This includes a threatened, pending or completed civil, criminal, administrative or investigative proceeding. Reimbursement or payment may be made before the proceeding is completed.

ARTICLE 5

WAIVER OF NOTICE

When a notice is required to be given, according to the Plan, Committee Bylaws or applicable law, a waiver of the notice will be considered the same as giving the notice. The following applies to such a waiver.

- a. The waiver must be in writing and signed by the person(s) entitled to the notice.
- b. The waiver may be signed before or after the time stated in the notice.

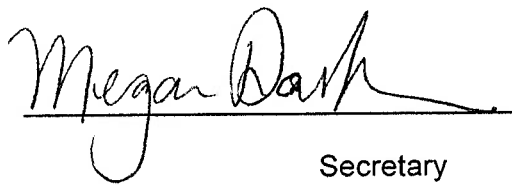
- c. The waiver does not have to state the purpose or business to be transacted at a meeting, unless this is required by the Plan or Committee procedures.
- d. If a person attends a meeting, this waives notice of the meeting. The exception is if the person is attending specifically to object to the meeting because it was not properly called or convened.

ARTICLE 6

AMENDMENT OF BYLAWS

These Bylaws may be amended or repealed, or new Bylaws may be made and adopted, at any meeting of the Committee called for that purpose, by the vote or written assent of a majority of the members of the Committee.

The foregoing are certified as the Bylaws of the Committee adopted by the Committee on May 7, 2015


Secretary

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

RESOLUTION NO. 2015-23

WHEREAS, the County Commissioners of Charles County, Maryland, approved and adopted an amended Charles County Pension Plan effective December 1, 2004;

WHEREAS, the Charles County Pension Plan necessitates the establishment of a Disability Review Board to review claims which may arise under this plan:

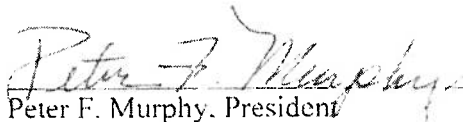
WHEREAS, the County Commissioners have approved the rules and procedures to govern the Disability Review Board, which are attached to and made a part of this Resolution:


NOW, THEREFORE, BE IT RESOLVED, upon motion made, duly seconded and carried, it is this 3rd day of November, 2015.

1. That the Disability Review Board is hereby created, authorized, and empowered to operate in accordance with the attached procedures and may take any action necessary to carry out the intent of this resolution.
2. That with the exception of the requisite two sworn employees appointed by the Sheriff and the public safety representative, members serving on the Disability Review Board under the Sheriff's Office Retirement Plan shall concurrently serve and facilitate review of all claims submitted under the Charles County Pension Plan.

Finally, **BE IT FURTHER RESOLVED**, that this Resolution shall take effect on the 3rd day of November, 2015, and apply to all applicable disability claims arising on or after December 1, 2004.

County Commissioners of
Charles County, Maryland


Peter F. Murphy, President

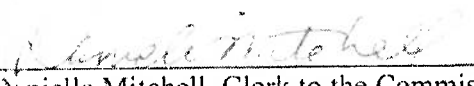

Ken Robinson. Vice President


Debra M. Davis. Esq.


Amanda M. Stewart, M.Ed.


Bobby Rucci

ATTEST:


Danielle Mitchell, Clerk to the Commissioners

CHARLES COUNTY PENSION PLAN DISABILITY REVIEW BOARD

PROCEDURAL RULES

1. GENERAL PROVISIONS

A. These Rules shall apply to all proceedings before the Disability Review Board for the Charles County Pension Plan.

B. The Board shall meet as many times as it deems necessary to consider the applications for disability submitted to the Board.

1. Meetings shall be held on Wednesdays or on such other days as the Board may deem necessary.

2. The Board shall meet at 7:00 p.m. in the Commissioners Meeting Room, Charles County Government Building, unless otherwise determined.

3. A quorum shall consist of seven (7) members of the Board.

4. In the absence of a specific request by an applicant, hearings and other proceedings before the Board shall not be open to the public.

5. Except as otherwise provided by law, whenever an act is required or allowed to be done at or within a specified time, the time fixed or the period of time prescribed may, for good cause, be extended or shortened by the Board with notice to all parties.

C. An applicant appearing or having the right to appear before the Board at a hearing shall have the right to be represented by an attorney of the applicant's own choosing.

1. If it appears to the Board that the issue or facts in the matter before it are so involved or intricate that, in the interest of justice, or conservation of time, or of facilitating the preparation of an adequate record, an applicant should be represented by an attorney, the Board may urge such applicant to procure the services of an attorney, and, if agreeable with the applicant, it shall allow him or her a reasonable period of time in which to do so.

2. The Board shall, in any case in which an applicant represents himself or herself, take such action as may reasonably be necessary to ensure that all information material to the case be developed to the fullest extent possible, commensurate with the Board's function of sitting as an impartial body.

II. HEARINGS

A. All testimony at hearings before the Board shall be under oath or affirmation.

B. Hearings shall be recorded under the supervision of the Chairperson.

C. A hearing may be continued in the discretion of the Chairperson of the Board.

D. Applicants, expert witnesses, and other persons giving testimony or having the right to appear before the Board shall have questions directed to them first by counsel for the applicant and then be subject to questions from the Board.

E. Decorum and good order shall be maintained at all times during hearings, and the Chairperson may, in the enforcement thereof, exclude or have removed from the hearing room any person violating any reasonable order of the Chairperson.

F. Hearings shall be conducted on an informal basis. The technical rules of evidence do not apply.

G. Any hearing may be adjourned by the Board and resumed at a later date.

III. DECISION

A. The decision of the Board shall be in writing and shall include findings of fact and conclusion of the Board.

1. The Board's decision shall be signed by the Chairperson.

2. A copy of the Board's decision shall be distributed to the applicant or the applicant's counsel, as applicable, and the Department of Fiscal Services within ten (10) days of the date of the decision.

3. The original of all decisions issued by the Disability Review Board shall be retained by the Charles County Director of Human Resources as the official record of the Board's action.

CHARLES COUNTY PENSION PLAN DISABILITY PROCEDURES

Adopted Effective 11/3/15

A. Scope

The purpose of these Disability Procedures is to establish and set forth administrative procedures for disability retirement income claims which may arise under the Charles County Pension Plan (the "Plan") as amended and rested effective July 1, 2004, and as further amended from time to time. All terms and provisions of the Plan are hereby incorporated by reference into these Disability Procedures. In the event of any conflict between the terms and provisions of these Disability Procedures and the terms and provisions of the Plan, the terms and provisions of the Plan shall control.

B. Definitions

1. The definitions set forth in the Plan are hereby incorporated by reference herein.

2. "Medical Evaluator" shall mean a qualified person under contract with the County Commissioners to review and evaluate medical and other relevant documents submitted pursuant to a claim for disability retirement income and to make recommendations thereon to the Disability Review Board regarding the percentage rating of any disability.

C. Disability Review Board

1. A Disability Review board is hereby established to hear and decide all claims for disability retirement income for an employee under this Plan.

2. The Disability Review Board will consist of nine members in the following representative capacities:

- a. Director of Fiscal and Administrative Services, or designee;
- b. Director of Emergency Services, or designee;
- c. County Administrator, or designee;
- d. Doctor in General Practice;
- e. Attorney;
- f. Two County citizens; and

g. Two Public Safety employees.

3. The two Public Safety employees shall be appointed by the County Administrator. All other members shall be appointed by the County Commissioners.

4. One of the two Public Safety employee members must be equal to or below the rank of the employee who is the subject of a proceeding before the Board. The County Administrator shall rotate the Public Safety employee members as necessary to fulfill this requirement.

5. The Chairperson of the Disability Review Board will be selected by the County Commissioners.

6. The County Commissioners shall appoint an additional Attorney and an additional Doctor (General Practice) as alternate members of the Disability Review Board for emergency situations.

7. All Disability Review Board members shall serve at the pleasure of their respective appointing authorities. The members' terms of appointment shall be for four (4) years, but not to exceed two (2) full terms. In order to provide annual rotating appointments for the members representative of the capacities of Attorney, Doctor (General Practice), and two County citizens, the County Commissioners may appoint such members on a staggered basis for terms of less than four (4) years.

D. Procedures for Disability Retirement Review

1. An employee may apply in writing to the County for a disability retirement benefit provided under the Plan (an "Employee Application").

Employee Applications

(a) An Employee Application must contain the following information:

(i) a statement that the employee is seeking disability retirement benefit under the Plan;

(ii) a description of the disability, the nature of the injury underlying the claim of disability, and the date or dates on which the injury was incurred;

(iii) whether the disability was incurred in the line of duty;

(iv) the date of any preliminary or final findings of the Worker's Compensation Commission relating to the injury claim;

(v) a complete medical evaluation report prepared by a licensed medical practitioner, including all examination reports, test results, and all other supporting empirical data, containing a description and recommendation of disability in accordance with established guidelines recognized by the American Medical Association, and/or the Worker's Compensation Commission; and

(vi) a completed release providing that the employee consents to the disclosure of relevant personal medical records and to further medical review as may be deemed necessary by the Plan's Medical Evaluator.

(b) Upon receipt of a complete Employee Application, the County shall forward the entire application, with all attached documents and materials, to the Medical Evaluator for review.

(c) The Medical Evaluator, utilizing established guidelines recognized by the American Medical Association, Insurance Industry and/or the Worker's Compensation Commission, shall independently review and evaluate the Employee Application and prepare a written recommendation of disability. The Medical Evaluator may, if deemed necessary to make a reasoned recommendation of disability, request the submission of such additional medical data from the employee as required. All required additional medical data must be obtained and provided by the employee at the employee's sole cost and expense.

(d) The Medical Evaluator shall submit the final report to the Human Resources Department of the County, who will promptly forward copies of the report to the employee and to the Disability Review Board for a hearing date to be scheduled.

(e) The employee may withdraw the Employee Application at any time prior to the final written Decision and Order of the Disability Review Board.

E. Disability Review Board Hearing

1. Subject to subsection E.7. below, upon receipt of an Employee Application which includes the final report of the Medical Evaluator, the Disability Review Board will serve notice on the employee informing him or her of the date, time and location of the disability hearing and informing them that they may be represented by legal counsel at this hearing.

2. A hearing will be scheduled within sixty (60) days of issuance of the notice described in E.1. above, unless all parties agree to some other time period for the hearing.

3. The Disability Review Board will conduct a hearing at which witnesses may be called to testify, testimony may be presented, witnesses may be cross-examined, and all medical and other evidence provided by the employee will be reviewed. The hearing will be recorded and all exhibits received by the Board maintained in the Board's record of the hearing.

4. Upon the close of the hearing, the Disability Review Board shall make the following determinations:

- a. The extent of the disability;
- b. Whether the disability was incurred in the performance of duty;
- c. Whether the disability permanently prohibits the employee from further performing the duties required for the employee's position;
- d. Whether the disability permanently prohibits the employee from all gainful employment in any occupation; and
- e. The appropriate and applicable disability benefits, if any, payable by the plan.

5. A final Decision and Order of the Disability Review Board will be prepared and signed within thirty (30) days from the date of the final hearing. The Decision and Order will set forth:

- a. the required determinations of the Board;

b. whether and what disability benefits are payable under the Plan;

c. the date disability benefits will commence in accordance with the Plan;

d. how often and how long the employee will be required to submit future supplemental information to the Board; and

e. additional information regarding the responsibilities and obligations of the employee.

6. The Decision and Order of the Disability Review board may be appealed, on the record, as an administrative appeal pursuant to Rule 7.201, et seq., of the Maryland Rules of Procedure.

7. Notwithstanding the foregoing provisions of Section E. of these Procedures, the Disability Review Board may grant an employee's claim for disability benefits without holding a hearing and issue a final Decision and Order in accordance with Section E.5 of these Procedures based on the report of the Medical Evaluator.

F. Post-Retirement Obligations

1. The Disability Review Board will submit an annual report to the County Commissioners providing the status of each individual receiving a disability annuity and any pending Employee Applications.

2. Each annuitant shall be required to inform the Disability Review Board of the annuitant's recovery from disability or other material change in circumstances which affects the annuitant's entitlement to continued payments under the Plan.

3. Monitoring of continued annuitant entitlements shall be performed by the Human Resources Department of the County. The Department will annually mail verification documentation forms to annuitants which will require the following information from each annuitant:

a. current mailing and residence address;

b. name of current spouse;

c. medical verification of continued disability;

d. verification of non-employment or re-employment; and

e. verification of earned income as stated on most recent tax return.

4. The Disability Review Board may require an annuitant to appear before the Board for a re-evaluation of disability status if the need for such re-evaluation is indicated from the verification documentation annually submitted.

5. Any annuitant who fails or refuses to provide the annual verification documentation shall be served with written notice that failure to fully respond within thirty (30) days from receipt of that notice will result in the suspension or termination of disability payments. If the verification documentation is not provided in thirty (30) days, then the matter will be forwarded to the Disability Review Board. The Board may:

a. Suspend further payments until the annuitant can be recalled for a re-evaluation hearing; or

b. After confirming that the annuitant actually received notice of the required response and sanction for failing to respond, and upon a finding by the Board that the annuitant is knowingly failing or refusing to respond, terminate payments under the Plan.

6. Investigations may be conducted from time to time by the County Attorney to verify reported information or to uncover possible evidence of deception or fraud regarding any claim for disability retirement income or continuing entitlement to such income. Evidence of possible criminal acts shall be reported to the Board for referral to the State's Attorney for further investigation and prosecution.

G. Effective Date and Amendment

These Procedures are adopted by the County Commissioners of Charles County, Maryland for the Charles County Plan and shall be effective as of 11/3/15. These Procedures may be amended from time to time by action of the Retirement Plan Committee.

DISABILITY BENEFITS - SECTION 5

5.1 Disability Benefits - The Plan shall pay disability retirement benefits to Public Safety Participants determined in accordance with the following provisions:

(A) Line of Duty Total and Permanent Disability: If a Public Safety Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Total and Permanent Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) 66-2/3%, multiplied by the Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amounts the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Total and Permanent Disability, plus

(c) 100% of the amounts the Public Safety Participant receives by virtue of participation in any long term disability plan sponsored by the Employer, plus

(d) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the position or rank and grade, if applicable, in which the Public Safety Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(B) Line of Duty Permanent Partial Disability: If a Public Safety Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Permanent Partial Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 50%, multiplied by the Public Safety Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Permanent Partial Disability, plus

(c) 100% of the amount the Public Safety Participant receives by virtue of participation in any long term disability plan sponsored by the Employer, plus

(d) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the position or rank and grade, if applicable, in which the Public Safety Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(C) Non-Line of Duty Total and Permanent Disability: If a Public Safety Participant reaches a Termination Date by reason of a Total and Permanent Disability, after earning at least five Years of Service, and the Total and Permanent Disability was not sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Public Safety Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Total and Permanent Disability, plus

(c) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the Eligible Class and the rank and grade in which the Public Safety Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Public Safety Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

(D) Non-Line of Duty Permanent Partial Disability: If a Public Safety Participant reaches a Termination Date by reason of a Permanent Partial Disability, after earning at least five Years of Service, and the Permanent Partial Disability was not sustained in the line of duty, the Public Safety Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Public Safety Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Public Safety Participant's Final Average Earnings for the three years prior to the Public Safety Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Public Safety Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Public Safety Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Public Safety Participant's Permanent Partial Disability, plus

(c) 35% of the amount by which the Public Safety Participant's annual earned income exceeds the Rate of Earnings the Public Safety Participant would earn from the Employer if the Public Safety Participant were still actively employed in the Eligible Class and the rank and grade in which the Public Safety Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Public Safety Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

Notwithstanding the foregoing, a Disability which is not a Total and Permanent Disability and which is not sustained in the line of duty, shall not be deemed to be a Permanent Partial Disability unless it is determined to be a Catastrophic Disability.

5.2 General Provisions Pertaining to All Disability Benefits

(A) Unless otherwise required by law, disability benefits shall not be payable on account of any injury or disease which:

(1) Resulted from or consists of stress, chronic alcoholism or addiction to narcotics;

(2) Was contracted, suffered or incurred while the Public Safety Participant was engaged in, or resulted from his or her having engaged in, a felonious act;

(3) Was intentionally self-inflicted; or

(4) Was contracted, suffered or incurred while the Public Safety Participant served in the armed forces.

(B) Definitions: For purposes of this Section 5 and interpretations of this Section 5, the following terms shall have the meanings set forth below:

(1) "Blindness" means, at a minimum, a physician's diagnosis of blindness within the meaning of Code section 63(f)(4), or any successor statute.

(2) "Catastrophic disability" means 100% loss of use of a limb, total loss of hearing in both ears, or Blindness.

(3) "Disability" means the Total and Permanent Disability or Permanent Partial Disability of a Public Safety Participant.

(4) "Disability Review Board" means the Committee appointed by the Commissioners as a named fiduciary of the Plan in accordance with Section 11 to determine Public Safety Participants' entitlement to disability benefits under this Plan.

(5) "Permanent Partial Disability" means a medically determinable physical or mental impairment which can be expected to be permanent or result in death,

and by reason of which the Public Safety Participant will be prevented from performing the essential requirements of his or her position with the Employer.

(6) "Total and Permanent Disability" means a medically determinable physical or mental impairment which can be expected to be permanent or result in death, and by reason of which the Public Safety Participant will be prevented from performing the usual duties of any occupation for gainful employment.

5.3 General Provisions Pertaining Solely to Line of Duty Disability Benefits

Unless otherwise required by law, disability benefits shall not be payable on account of a disability which is the natural and proximate result of, or an aggravation of, a physical or mental condition which existed at the time the Public Safety Participant commenced Service in an Eligible Class.