

RETIREMENT PLAN
FOR
FULL-TIME EMPLOYEES OF THE POLICE DEPARTMENT
OF THE TOWN OF EAST HARTFORD

January 1, 2011 through December 31, 2021

Pursuant to Arbitration Award
Case No. 2012-MBA-376
Dated March 26, 2013

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**RETIREMENT PLAN FOR FULL-TIME EMPLOYEES OF
THE POLICE DEPARTMENT OF
THE TOWN OF EAST HARTFORD**

ARTICLE I -- DEFINITIONS

Section 1. The term "Dependents" shall mean either item (a) or item (b), whichever is applicable, subject to item (c):

- (a) The surviving widow of a deceased Employee of the Police Department of the Town of East Hartford, during her/his legal status as such. The term "widow" shall mean the surviving spouse of a police officer who shall have been married to him/her and living with him/her as his/her spouse at the time of his/her death, if he/she dies while in active service; or who shall have been married to him/her prior to his/her retirement and who shall have been living with him/her as his/her spouse at the time of his/her death, if he/she dies after retirement. Pension benefits will be payable to the surviving widow until her/his death or remarriage. No benefits will be payable to the surviving widow if there has been a final decree of divorce at the time of the Employee's death.
- (b) If there is no widow -- the dependent child or children of the deceased Employee. The term "dependent child or children" shall mean any unmarried child under the age of 18, or over said age if: (1) physically or mentally incapacitated from engaging in gainful employment or (2) is a full-time undergraduate student at an accredited college or university. It shall not include any child born to a police officer more than nine months after his/her retirement from active service, but shall include natural children, adopted children, stepchildren and foster children living with the police officer at the time of such employee's death or retirement from active service.
- (c) If there is more than one child entitled to receive benefits, such sum shall be divided equally among them. Payments due to such child or children shall be made to their legal guardian, or, if they have no legal guardian, to such other person to expend for them as the Retirement Board may direct. Any monthly payments made to any surviving widow shall cease upon her/his death or remarriage, and any such payment or portion therefore due any child shall cease upon the date when she/he ceases to qualify for such payment in accordance with the requirements herein before provided, and such portion of such payment shall be divided equally among the remaining eligible children, if any.

Section 2. The term "Employee" shall mean a full-time permanent investigatory and uniformed member of the Police Department with the authority to exercise police powers.

Section 3. The term "Retired Employee" shall mean a former Employee who is retired under the Retirement System and who is receiving a Pension provided for hereunder.

Section 4. The term "Employer" shall mean the Town of East Hartford.

Section 5. The term "Plan Year" shall mean the 12 months from October 1st to September 30th of the following year, both dates inclusive, through September 30, 1994. Commencing October 1, 1994, the "Plan Year" shall be changed to mean the fiscal period ending June 30th.

Section 6. The term "Final Average Salary" shall mean the employee's average annual pay, including overtime, holiday, longevity payments, vacation pay, and any lump sum payments resulting from unused accrued terminal/sick leave for the thirty-six (36) consecutive months of service based upon the Plan Year with the Employer which gave the highest average. It will also include any deferred salary or deferred wages that are considered annual pay/wages during the period used to determine the Final Average Salary.

Section 7. The effective date of the Retirement System was originated by the State Legislature on June 27, 1941; however, as used hereafter, the term "Effective Date" shall mean October 1, 1972, July 1, 1987, as amended by Arbitration Case No. 2012-MBA-376.

Section 8. The term "Insurance Company" shall mean the Aetna Life Insurance Company, or any legal reserve life insurance company organized or incorporated under the laws of any one of the United States of America and duly licensed in the State of Connecticut.

Section 9. The term "Interest" shall mean interest at the rate determined from time to time by the Retirement Board, and shall be substantially that which is earned net after expenses on the Retirement Fund, compounded annually on the last day of the Plan Year.

Section 10. The term "Permanently and Totally Disabled" shall mean that an Employee is physically or mentally unable, as a result of bodily injury or disease, to engage in or perform the regular duties of any position in the Police Department, and such disability was not the result of the Employee's own willful misconduct and will be permanent and continuous for the remainder of his/her life. For the purposes of this Retirement System, willful misconduct shall be construed to include, but is not limited to, the following events:

- (a) Disability resulting from an intentionally self-inflicted injury.
- (b) Disability that was contracted, suffered or incurred while the Employee was engaged in or resulted from having engaged in a felonious enterprise.

Further, no disability benefits will be payable if such disability results from service in the Armed Forces of any country for which a service connected government disability is payable.

Section 11. The term "Retirement Fund" shall mean the fund derived from contributions made as herein provided for the payment of Pension benefits to Retired Employees under this

Retirement System. All assets and liabilities of the Disability and Dependent's Fund, as defined in the Pension Plan for Employees of the Town of East Hartford as constituted immediately before October 1, 1972, shall be merged with the assets of the Retirement Fund, and all future benefits that would have been made out of the Disability and Dependent's Fund shall be made from the assets of the Retirement Fund.

Section 12. The term "Retirement Board" shall mean the Board herein created for the administration of the Retirement System. The Board shall consist of 5 members, not more than 3 of whom shall belong to any one political party as follows: A member of the Town Council; the Town Treasurer; and 3 citizens of the Town of East Hartford, 1 of whom shall be a member of the Retirement System as selected by a coalition of the various bargaining groups of the Town. All members, except the Town Treasurer, shall be appointed by the Mayor, with the consent of the Town Council. The Town Treasurer and the member representing the Town Council shall be appointed for a term of 2 years; the other 3 members shall be appointed for terms of 5 years, and their respective successors shall be appointed for 5 year terms; provided, the term of office of each member shall continue until his/her successor shall be appointed and shall have qualified. In the event of a vacancy on said Board, such vacancy shall be filled in the same manner as the member so to be succeeded was appointed or elected. In no event shall any person remain a member of said Board except during the time he/she continues to be a member of the Board or body from which he/she was appointed or elected. The members of the Retirement Board shall serve without compensation. The Board shall make bylaws and regulations not inconsistent with the law; shall employ such actuarial, medical, clerical and other services as may be necessary for the proper operation of the Retirement System and shall do all things necessary and proper toward carrying out the purpose for which the Retirement System was created. The Board shall submit annually to the Town Council a schedule of its estimated expenses necessary for the administration of this Retirement System, and all such expenses of administration shall be paid by the Town. The Board shall be the Trustee of the funds herein created and shall have full control and management thereof with power to invest and reinvest the same in accordance with the laws of the state governing the investment of trust funds. The Retirement Board may enter into a group annuity contract with any insurance company authorized to transact business in the State of Connecticut to insure the entire Retirement Plan or such portion thereof as the Board shall deem advisable; provided, any such contract, before actually being consummated, shall be approved by a two-thirds (2/3) vote of the Town Council.

Section 13. The Term "Retirement System" shall mean the plan of retirement and other benefits for Employees of the Town of East Hartford as set forth in and by this document and all subsequent amendments thereto.

Section 14. The term "Pension or Pensions" shall mean a payment made to a Retired Employee or his/her Dependant according to the provision of this Retirement System, other than a return of contributions with Interest.

Section 15. The term "Regular Compensation" shall mean the annual salary or wages of an Employee for services with the Town, including overtime, holiday, longevity payments, vacation pay and any lump sum payments resulting from unused accrued sick leave. It will also include

any deferred salary or deferred wages that are considered annual salary or pay/wages during the period used to determine Final Average Salary.

Section 16. The term "Service Connected Benefit" shall mean any benefit payable upon the death or disability of an Employee who dies or becomes disabled during the performance of essential duties pertaining to his/her employment by the Town.

Section 17. The term "Non-Service Connected Benefit" shall mean any benefit payable upon the death or disability of an Employee who dies or becomes disabled from causes not related to his/her employment by the Town.

Section 18. The term "Continuous Service" shall mean uninterrupted employment of an Employee with the Employer. Continuous service with the Employer shall not be broken in the event of:

- (1) Absence with the consent of the Retirement Board during any period not in excess of one year, except that the Retirement Board may consent to extend the period of leave.
- (2) Absence from work because of occupational injury or disease incurred as a result of employment with the Employer, for which absence an Employee shall be entitled to Workers' Compensation payments.

In interpreting this section, the Employer will apply rules in a like manner to all Employees under similar circumstances.

An Employee shall not receive Credited Service in the case of the period of absence set forth in paragraph (1) of the above section, but shall retain Credited Service accrued prior to such absence. Upon return to employment after an approved absence, the Employee will again accrue Credited Service.

An Employee shall receive credit for military service after his/her employment date with the Town, in the Armed Forces of the United States in time of war, national emergency, or pursuant to a national conscription law which is immediately preceded and immediately followed by employment with the Town of East Hartford (within the statutory period during which his/her right to re-employment is guaranteed after he/she has first become eligible for discharge or separation from active duty). Period of voluntary enlistment or re-enlistment not affected during national emergency or time of war shall not be counted in determining Credited Service.

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

An employee may purchase up to a maximum of four (4) additional years of service by paying the present value of the increase in future benefits purchased (both the Town's contribution and the employee's contribution). In particular, employees who are purchasing the military time will pay what they would have paid if they were in the plan for the years they purchased and also pay what the Town would have paid if they were in the plan for the years they purchased. The following additional terms and conditions will apply to the military leave buyback benefit:

- (a) There will be three (3) window periods within which a bargaining unit member can purchase military leave time:
 1. Within ninety (90) calendar days of initial hire;
 2. Within ninety (90) calendar days from vesting; and
 3. Within ninety (90) calendar days from signing of the July 1, 1999 through June 30, 2002 Collective Bargaining Agreement.
- (b) The purchased military leave cannot be used to reduce the twenty-five (25) years of service eligibility requirement.
- (c) A bargaining unit member may elect to pay the total cost of the purchased military leave time over three (3) years from his/her election to purchase time. Such payment will be interest free.
- (d) Military leave time is defined as active duty service for the United States Government.

Section 19. The term "Credited Service" shall mean the number of full years of Continuous Service and fractions thereof to the nearest completed month with the Employer, as determined by the Retirement Board, completed by the Employee from the date he/she is included in the Retirement System, as determined in Article III hereof, to the earlier of his/her date of termination of employment, or his/her actual retirement date. An Employee will not receive Credited Service for any period for which he/she is eligible hereunder if he/she does not make the necessary Employee contributions as described below.

Section 20. The term "Actuary" shall mean a member of the Society of Actuaries, or an organization employing such a member, appointed and compensated by the Retirement Board to render actuarial services with respect to the Retirement System.

ARTICLE II -- CONTRIBUTIONS

Section 1. Contributions of Employees - Employee contributions toward the Police Pension Plan will be treated as Internal Revenue Code § 414h (2) pre-tax contributions, subject to changes in applicable law. The rate of contribution to be made by each Employee shall equal eight percent (8%) of his/her Regular Compensation, including overtime, holiday, longevity payments and vacation pay. If the employee contributions cannot be treated as pre-tax contributions, the parties will reopen the Retirement Plan to negotiate the rate of contributions. Such employee contributions will cease to be contributed at the end of the Plan Year when the

allowable maximum pension benefit amount is attained as defined in Article IV, Section 5 of the Retirement Plan.

Section 2. Contributions of the Employer -- The Retirement Board shall, at least once every 2 years, be required to have an actuarial valuation by an Actuary of the assets and liabilities of the Retirement System and of the required contributions from the Employer which, in addition to contributions of the Employees, will be adequate to finance the benefits under the Retirement System.

On the basis of each such valuation, the Employer shall pay each year to the Retirement Board an amount that will meet the actuarial cost of current service and, until it is amortized, the unfunded accrued liability. The annual appropriation by the Employer for each of the 25 Plan Years, beginning October 1, 1987, shall be the sum of the normal cost for the year and the annual payment that would be required, on a level basis, to amortize the unfunded accrued liability over 25 years from October 1, 1987. The appropriation for each Plan Year thereafter shall be the normal cost for the year.

Any proposal which will change the benefits payable or Employee contributions required under the Retirement System shall be accompanied by an estimate by the Actuary of the additional appropriations by the Employer which will be required to finance the additional normal cost and to amortize, on a level basis, the additional accrued liability over 30 years from the effective date of the change.

ARTICLE III -- ELIGIBILITY

Section 1. An Employee, who was an eligible Employee in the Retirement System on October 1, 1972, will remain an eligible Employee thereafter, subject to the provisions of this Retirement System.

Section 2. An Employee who enters the service of the Employer on or after October 1, 1972, will become an eligible Employee if the following conditions are met:

- (a) Under age 45 -- as a condition of employment, it is mandatory that an Employee becomes covered under the Retirement System within 3 months after his/her employment commences.
- (b) He/She has reached his/her 45th birthday -- as a condition of employment, it is not mandatory that an Employee becomes covered under the Retirement System; however, he/she must apply within 3 months of entering the service of the Town. If such Employee does not apply then, he/she must do so within 2 years of his/her employment date, and in order to be credited with such service, he/she must pay all back contributions with Interest thereon.
- (c) All Employees must make their Employee contributions while eligible to do so. No credit will be granted during any period when the Employee does not make the necessary contributions to the Retirement System.

ARTICLE IV -- AMOUNT OF PENSION

Section 1. Subject to the maximum and minimum limitations herein set forth, the Retirement Board shall pay to each Employee who has retired in accordance with Article VI, a Normal Retirement Pension for life. The yearly amount of such Pension will equal two and one-half percent (2.5%) of his/her Final Average Salary multiplied by the number of years of his/her Credited Service with the Employer as a police officer. One-twelfth (1/12) of this amount will be paid monthly.

Section 2. Employees who retire after the effective date of this Agreement shall receive a cost-of-living adjustment of two percent (2%) per annum.

However, there will be a four (4) year waiting period after an employee retires before the cost-of-living adjustment will apply. Accordingly, a retiree will receive the cost-of-living benefit beginning with his/her fifth (5th) year after retirement.

Section 3. The Retirement Board shall cause a study and report to be made by the Plan's Actuary every three (3) years on the then current status of Pension being paid to all Retired Employees and the effect of economic conditions on payments being made to such Retired Employees. Such study shall be submitted to the Mayor for submission to the Town Council, which shall have the right in its sole and exclusive discretion to make any adjustments to the Pension being paid to any Retired Employees.

Section 4. The minimum monthly Pension for an Employee who retires on or after the Effective Date on his/her Normal Retirement Date, in accordance with Article VI, will equal one hundred and twenty-five dollars (\$125) per month.

Section 5. The maximum yearly Pension for an Employee who retires under this Retirement System will equal seventy-five percent (75%) of his/her Final Average Salary.

Section 6. The amount of Pension to be provided for a terminated Employee who has met the vesting requirement in Section 2 of Article VII will be the amount of Pension accrued to the date of his/her termination using Final Average Salary and Credited Service to such date. Such Pension shall be based on the Retirement Plan provisions in effect at the time the Employee terminated his/her Employment with his/her Employer.

ARTICLE V -- DISABILITY PAYMENTS

Section 1. An Employee shall be deemed to be Permanently and Totally Disabled within the meaning of this Retirement System only if the Retirement Board, in its sole and absolute discretion, shall determine on the basis of medical evidence that the Employee is Permanently and Totally Disabled.

Section 2. Employees applying for disability retirement shall be required to submit to examination, at the expense of the Retirement Board, by at least 2 impartial physicians or psychiatrists selected by the Retirement Board, and such Employees may be required to submit

to re-examination no more than once in each 12 month period. Should the results of such examination indicate that an Employee retired on account of a disability, is physically and mentally able to perform the regular duties required of such Employee, then such Employee, at the option of the Retirement Board, may remain retired or may be returned to duty at the same rank held by such Employee at the time of his/her disability retirement and upon returning to duty, such employee will be credited with all service time for the period of his/her disability retirement, provided he/she makes payment of the amount he/she would have been required to contribute to the Retirement System during the period of his/her disability, with Interest thereon. All presently disabled Employees of the Police Department shall be governed by the foregoing.

Section 3. Service Connected Disability -- Any Employee covered under this Retirement System who becomes Permanently and Totally Disabled during the performance of essential duties pertaining to his/her employment shall be eligible to retire and receive a Service Connected Disability Pension equal to fifty percent (50%) of the disabled Employee's Final Average Salary or his/her annual rate of Regular Compensation at the time of such disability (whichever is greater) if the Employee has completed less than 20 years of Credited Service. If the Employee has completed 20 or more years of Credited Service at his/her date of disability, the amount of the Service Connected Disability Pension shall be determined in the same manner as his/her Normal Pension as described in Article IV, Section 1 hereof using Credited Service and Final Average Salary or Regular Compensation as of the date of disability. In no event shall payments under this section, together with any regular benefits awarded under the Connecticut Workers' Compensation Act exceed one hundred percent (100%) of the Final Average Salary or the Regular Compensation being paid to the disabled Employee at the time of his/her disability.

Section 4. Non-Service Connected Disability -- Any actively employed Employee under this Retirement System who has 5 years of Credited Service and becomes Permanently and Totally Disabled shall be eligible to retire and receive a Non-Service Connected Disability Pension. The amount of such Non-Service Connected Disability Pension shall be equal to the disabled Employee's accrued benefit at the time of such disability as determined in the same manner as his/her Normal Pension as described in Article IV, Section 1, but based on Credited Service to the date of his/her disability subject to a minimum of twenty percent (20%) of his/her Final Average Salary.

Section 5. Cessation of Disability -- Such disability payments will end immediately before the earlier of the following dates:

- (a) The date the Employee ceases to be Permanently and Totally Disabled by death or recovery;
- (b) The date he/she reaches his/her 65th birthday at which time he/she will receive Pension payments in accordance with Article IV, Section 1, in the same amount as his/her Disability Pension.

ARTICLE VI -- RETIREMENT DATE

Section 1. The Normal Retirement Date of an Employee is the day of the month named by the Employee on which he/she has completed 25 years of Credited Service with the Employer.

Section 2. An Employee will not be permitted to work as full-time permanent Employee of the Town after he/she has reached his/her 65th birthday. An Employee who reaches his/her 65th birthday before completing 25 years of Credited Service with the Employer will be eligible to retire when he/she reaches his/her 65th birthday, provided he/she has completed at least 15 years of Credited Service. Such Employee's Pension shall be determined as provided in Article IV, Section 1. All Pension payments shall become due and payable on the last day of each calendar month, provided the initial Pension payment shall be computed as the pro rata of the amount of Pension corresponding to the fraction of the month elapsed since the effective date of retirement.

Section 3. If a Retired Employee is re-employed by the Employer, his/her Pension shall cease with the last payment due prior to his/her re-employment. Pension payments shall again become payable following subsequent termination of employment.

ARTICLE VII -- TERMINATION OF SERVICE

Section 1. An Employee who terminates employment before he/she has completed at least 15 years of Credited Service with the Employer will lose his/her eligibility for Retirement System benefits, and he/she will receive his/her Employee contributions with Interest up to his/her date of termination of employment.

Section 2. An Employee who has completed at least 15 years of Credited Service and who does not elect to receive his/her Employee contributions with Interest may elect to receive a Pension equal to the amount determined from Section 1 and 5 of Article IV. The Pension will be provided when the terminated Employee would have normally been eligible to retire as determined in Section 1 of Article VI had he/she continued in employment with the Employer rather than terminated his/her employment. Terminated vested Employees who die before or after retirement will receive a Death Benefit, as determined in Section 4 of Article VIII, namely, the return of their contributions with Interest up to their date of death or retirement, whichever is earlier, less any Pension payments received after retirement.

Section 3. An Employee who terminates service after the completion of at least 15 years of Credited Service will not be eligible for the Non-Service Connected Disability Benefit or the Non-Service Connected Death Benefit.

ARTICLE VIII -- DEATH BENEFITS

Section 1. Service Connected Death -- Upon the death of an Employee who dies during the performance of essential duties pertaining to his/her employment, his/her Dependents shall receive a Service Connected Death Benefit equal to fifty percent (50%) of such deceased Employee's Final Average Salary or his/her annual rate of Regular Compensation (whichever is greater) if the deceased Employee had completed less than 20 years of Credited Service. If the

deceased Employee had completed 20 or more years of Credited Service at his/her date of death, the amount of the Service Connected Death Benefit shall be determined in the same manner as his/her Normal Pension as described in Article IV, Section 1 hereof using Credited Service and Final Average Salary or Regular Compensation as of the date of death. This benefit will also be payable to the Dependents of an Employee who dies as a result of a Service Connected Disability Benefit. In order to comply with Section 7-433b of the General Statutes of the State of Connecticut, the total benefits payable under this section to the deceased Employee's Dependents during their compensable period, together with any regular benefits awarded under the Connecticut Workers' Compensation Act, shall not exceed one hundred percent (100%) of the Regular Compensation being paid to the deceased Employee at the time of his/her death.

Section 2. Non-Service Connected Death -- Upon the death of an actively employed Employee who dies from causes not related to his/her employment with his/her Employer, and who has completed at least 5 years of Credited Service, his/her Dependents will receive a Death Benefit equal to the deceased Employee's accrued benefit at the time of his/her death, as determined in the same manner as his/her Normal Retirement Pension, as described in Article IV, Section 1, but based on Credited Service to the date of his/her death, subject to a minimum of twenty percent (20%) of his/her Final Average Salary.

Section 3. Post-Retirement Death -- Upon the death of a Retired Employee, his/her Dependents will receive a Death Benefit equal to seventy-five (75%) of the Pension the deceased Employee was receiving at his/her date of death. If the Retired Employee and his/her Dependents should die before the total of the Retired Employee's contributions with Interest have been received by the Retired Employee and his/her Dependents, the excess of such contributions and Interest will be payable to the estate of the last surviving Dependent.

Section 4. Death Benefits -- No Dependents -- Upon the death of a Retired Employee who has no Dependents, his/her beneficiary will receive a Death Benefit equal to such deceased Employee's contributions with Interest less any Pension benefits received by the Employee prior to his/her death. If there is no named beneficiary, any such Death Benefits will be paid to the estate of the deceased Employee. If such Employee elected to receive the optional form of Pension, as described in Article VII, the provisions of the option will govern, and there will be no Death Benefit upon the death of the last survivor.

Section 5. Beneficiaries -- An Employee may name a beneficiary to receive the Death Benefit due on or after his/her death, as described in Section 4 above, by written request filed with the Employer. With the consent of the Employer, he/she may name 2 or more co-beneficiaries or successor beneficiaries. If an Employee names 2 or more persons as beneficiaries, such persons or their survivors will be considered co-beneficiaries unless he/she provides otherwise. An Employee may change any named beneficiary from time to time by written request filed with the Employer. The consent of his/her beneficiary is not required to any naming or change thereof. Such request is effective when the Employee signs it whether or not he/she is living at the time the request is received by the Town, but without prejudice to the Insurance Company for any payments made before receipt of the request.

ARTICLE IX -- AMENDMENT TO THE RETIREMENT SYSTEM

Section 1. This Retirement System is established and maintained for the exclusive benefit of Employees of the Employer and their beneficiaries. Subject to this limitation, any provisions of this Retirement System may be amended by the Employer at any time if, with respect to payments resulting from Pensions provided before the effective date of the amendment, the amendment does not reduce the amount of any payment, or the term of monthly payments, or delay the due date of any payment.

Section 2. Any provision of this Retirement System may be amended in any respect, without regard to the above limitation, if the amendment is required for qualification or continued qualification of the Retirement System under income tax law, or if necessary for this Retirement System to meet the requirements of any other applicable law.

Section 3. Neither the consent of the Employee nor that of any other payee is required for any amendment to the Retirement System made as provided above.

ARTICLE X - ADMINISTRATION OF PLAN

Section 1. Annual Report. The Retirement Board shall, on or before March 31st of each year, file with the Town Council an Annual Report showing the financial condition of the Retirement System as of the end of the last completed fiscal year, including an actuarial valuation of assets and liabilities, and setting forth such other facts, recommendations and data as may be of value to the members of the Retirement System of the Town of East Hartford.

Section 2. If any misunderstanding or ambiguity should arise concerning the meaning of any of the provisions of the Retirement System, the Retirement Board shall have the sole right to construe such provisions, and the Retirement Board's decision shall be final. The Retirement Board may establish such rules and regulations supplementing the Retirement System as it considers desirable.

Section 3. The finding of facts by the Retirement Board as to matters relating to an Employee's employment record are binding on him for the purposes of the Retirement System. The Retirement System shall confer no right upon any Employee to be retained as an Employee by the Employer.

Section 4. All persons shall promptly furnish information and proofs to the Retirement Board as to any and all facts which the Retirement Board may reasonably require concerning any person affected by the terms of the Retirement System (including date of birth and satisfactory proof, by personal endorsement of the pension checks or otherwise, of the survival of any payee to the due date of any pension payment).

Section 5. Each Employee who has terminated service with the Employer and who has met the vesting requirements in accordance with Article VII will inform the Retirement Board of his/her changes of address. Such terminated Employees must inform the Retirement Board of their desire to retire and must make an appropriate application. All notices to any person from

the Retirement Board will be sent to the last address of such person which the Retirement Board has on record, and the Retirement Board has no further obligation to such person in the event any such communication, sent by registered or certified mail, is not received by the person.

Section 6. If any fact relating to an Employee or any other payee has been misstated, the correct fact may be used to determine the amount of Pension payable to him/her or such other payee. If overpayments or underpayments have been made because of such incorrect statement, the amount of any future payments may be appropriately adjusted.

ARTICLE XI - GENERAL PROVISIONS

Section 1. An application for a Pension must be made in writing on a form and in a manner prescribed by the Retirement Board and shall be filed with the Retirement Board at least 2 months in advance of the final month for which benefits are payable.

Section 2. A single sum payment in an actuarially equivalent amount may be made in lieu of monthly payments if the amount of each monthly Pension payment would be less than \$20.00.

Section 3. No payee may sell, assign, discount, or pledge as collateral for a loan or as a security for the performance of an obligation or for any other purpose, any payment due to him/her.

If the payee for any payment is a minor or incompetent person, payment may be made to the person, or persons, caring for or supporting such payee, in full discharge of all obligations, as determined by the Retirement Board.

Section 4. There will be no obligation to make any payment to a payee herein unless the payer has received proof that the payee was living on the due date of the payment. If such proof is not received within 7 years after the due date of the payment, and if no proof of the death of the payee is received during such 7 year period, the obligations of the payer as to the payment and as to the Pension payments, if any, from which the payments results will be the same as if the payee had died immediately before the due date of the payment.

Section 5. In no event will any Employee receive at retirement anything less than what he/she would have received under the provisions of this Plan as constituted prior to July 1, 1972, as a result of this Plan reinstatement.

Section 6. For employees who terminated employment prior to July 1, 1987 and who were vested in their Normal Pension as determined in Article VIII, Section 2 of the Retirement Plan, such terminated vested employees will be eligible for the Town's Retiree Group Insurance Program (as described in the collective bargaining agreement in effect on the date of their separation from Town service) when they actually retire and receive their Normal Pension. For all active employees who terminate employment after July 1, 1987, and who vest in their Normal Pension as determined in Article VII, Section 2 of the Retirement Plan, such terminated vested employees will be eligible for the Town's Retiree Group Insurance Program (as described in the collective bargaining agreement in effect on the date of their separation from Town service)

when they would have normally been eligible to retire had they continued employment but not before age fifty-two (52).

ARTICLE XII - DURATION OF AGREEMENT

Upon the effective date of the Arbitration Award, 2012-MBA-376, the Plan will continue in effect until January 1, 2022. Either party may request the other party, in writing, to meet for the purpose of negotiating any changes in the Town's Retirement Plan no sooner than July 1, 2021.

ARTICLE XIII – DEFERRED RETIREMENT OPTION PLAN (D.R.O.P.)

Section 1. The Deferred Retirement Option Plan will be offered to Bargaining Unit members employed on or after July 1, 2001. The D.R.O.P. is intended to provide an alternative retirement option to current Bargaining Unit members who are eligible to retire.

Section 2. A Bargaining Unit Member, who is a member of the Retirement Plan for full-time employees of the Police Department of the Town of East Hartford, upon completing his/her 25th year of service may elect the D.R.O.P. at any time up to and through the completion of his/her 29th year of service. The employee must provide the Town with at least 60 days advanced notice, in writing, that he/she has elected the D.R.O.P. (the same notification requirement as normal retirement). No bargaining unit member may elect the D.R.O.P. after the completion of his/her 29th year of service.

Section 3. Any member electing the D.R.O.P. will be considered retired with respect to the Pension Plan but will not have separated from Town service. Notwithstanding any other provision within the Retirement Plan to the contrary, a member does not need to leave Town Service to qualify for Pension Benefits as long as that member has elected the D.R.O.P. The member who has elected the D.R.O.P may remain in Town Service at their current rank, with all the benefits of the Collective Bargaining Agreement, including promotional opportunities, through and including the completion of their D.R.O.P period.

Section 4. The D.R.O.P period is defined as the time after the member has elected the D.R.O.P., commencing on the date of the first payment to the D.R.O.P. through the date that the member separates from Town Service.

Section 5. No further pension benefits will accrue after the D.R.O.P. effective date.

Section 6. When a member elects the D.R.O.P. they will be entitled to all the benefits they would have received under the Normal Retirement Provisions of the Retirement Plan (during the D.R.O.P. period) with the following exceptions:

- (a) During the D.R.O.P. period the employee's monthly pension payments will be made to the employee's separately designated D.R.O.P. account established for the benefit of that member. During the D.R.O.P. period, the monthly Pension payments will be 96% of the monthly Pension payment the employee was entitled to receive had the member retired without electing the D.R.O.P. Upon separation

from Town Service, the monthly Pension payment shall increase to 100% of the monthly Pension payment, as though the member had retired and not elected the D.R.O.P.

- (b) During the D.R.O.P. period, the member will continue to make the same employee contributions from earnings while employed with the Town as was in effect at the time the D.R.O.P. was elected by such employee. These contributions are made to the Pension Fund, not the member's separate D.R.O.P. plan account.
- (c) The COLA waiting period shall commence on the date that the employee separates from Town service, and not on the date that the employee's DROP period commences.

Section 7. Any member who has elected and commenced the D.R.O.P. may not withdraw unless:

- (a) The member separates from Town service (*see* Section 9); or
- (b) The member applies in writing to the Pension Board to seek permission to be released/withdraw from the D.R.O.P. election and the Retirement Board grants that request, which decision will be final.

Section 8. The minimum length of the D.R.O.P. will be one (1) year and the maximum length of the D.R.O.P. will be five (5) years. Upon electing the D.R.O.P., the member will select the length of his/her respective D.R.O.P. Military time purchased by a member shall be included in the calculation of the member's final average earnings under the Retirement Plan. (For example, an employee who has completed his/her 25th year of service may elect the D.R.O.P. and purchase two (2) years of military time and, if so, shall receive credit for 27 years of service.) Under no circumstances will an employee/member be credited with more than 30 years of service.

Section 9. Any member who has elected the D.R.O.P. may separate from Town Service at any time during the D.R.O.P. period and such separation will mark the termination of the D.R.O.P. period and the commencement of normal Pension benefits at 100%. The maximum length of Town Service for any member who has elected the D.R.O.P. is defined as the completion of the 30th year of service. No member will be allowed to continue Town Service after the completion of the 30th year of service.

Section 10. The Town will select an Administrator through the Ordinance Bidding Process to custody the Funds for all members who elect the D.R.O.P. The choice between investment vehicles offered by the administrator shall be with the member. The cost of such custody administration will be paid for by members as an account charge. Upon completion of the D.R.O.P. period, the member will be considered a retired employee and will receive non-adjusted payments (100% of their Normal Retirement Benefits as accrued on the D.R.O.P. effective date plus a lump sum equal to the D.R.O.P. accumulation). The lump sum will be made

available to the employee/member within a reasonable period of time after the member terminates service with the Town.

Section 11. When a member elects the D.R.O.P., their accrued terminal, sick, and vacation leave payment will be included in the calculations of their final average salary as provided in the Retirement Plan. When the member elects the D.R.O.P., the member will be paid for 50% of their contractually (the collective bargaining agreement) compensable accrued sick time at the commencement of the D.R.O.P. and will be paid the remaining 50% of the accrued sick time when they separate from Town service. In the event insignificant accrued sick time is available to pay the remaining 50%, whatever balance is available at separation will be paid and a corresponding retroactive adjustment to the final average salary calculation, which will impact the final pension amount paid to the retiree. Sick time in excess of any amount includible in the contractual buy-out provision shall be forfeited.

Section 12. Any member who elects the D.R.O.P. shall not be eligible for the Plus Option described below.

ARTICLE XIV – PARTIAL LUMP SUM (P.L.U.S.) Option

Section 1. In lieu of receiving a pension in the form of an annuity, a retired employee, a member may elect a Partial Lump Sum Option whereby a portion of his/her Pension Benefits will be paid as a Lump Sum Benefit upon retirement from the Town. The amount of the lump sum shall be equal to 10% of the actuarial present value of the benefit as determined by the Plan's actuary. Based upon actuarial factors in affect at the time of distribution to determine actual funding. The remaining portion of the employee's benefit shall be paid monthly for such employee's lifetime, in accordance with the Retirement Plan provisions. Upon the death of the employee, 75% of the monthly benefits that the employee was receiving shall be continued for an eligible dependent, if any, as described in the Retirement Plan.