

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	07/23/12	Open	Action	06/22/12

Subject: Approving the Regional Transit Retirement Plan Document for Employee Members of ATU 256

## ISSUE

Whether to approve the Sacramento Regional Transit District (RT) Retirement Plan Document for Employee Members of Amalgamated Transit Union, Local 256 (ATU).

## RECOMMENDED ACTION

Adopt Resolution No. 12-07-\_\_\_\_, Approving the Sacramento Regional Transit District Retirement Plan Document for Employee Members of Amalgamated Transit Union, Local 256.

## FISCAL IMPACT

There is no fiscal impact as a result of this action.

## DISCUSSION

Approximately 6 years ago, RT began a project to have all three RT sponsored retirement plan documents reviewed and updated by a specialist law firm to bring all plan documents into technical compliance with Federal statutory and regulatory requirements, particularly the Internal Revenue Code. Once updated, RT planned on applying to the Internal Revenue Service (IRS) for a compliance determination letter.

In January 2011, RT submitted the three updated and revised plan documents, along with the application for compliance determination letters, to the IRS. As of this date, RT's application for a compliance letter for the ATU plan document is still pending with the IRS and it could be months before we hear any word. In the meantime, RT staff proceeded with submitting the revised plan document to the ATU for review/approval. RT staff secured approval of the document from the ATU and is now presenting the document for approval by the Board. That document is attached to the accompanying Resolution as Exhibit A. A copy was provided to ATU for review and we received their sign-off of approval on June 8, 2012.

Whether or not we receive an approval and receipt of a compliance determination letter from the IRS, the revised plan document must be approved by RT's governing body. RT seeks Board approval of Exhibit A and authority to the GM/CEO to execute the document on behalf of RT provided the final plan document is substantially the same as that attached hereto as Exhibit A. Should the IRS ultimately require substantial revisions in order to receive the compliance determination letter, the revised document will be resubmitted to the ATU and Board for approval.

Staff recommends that the Board approve the RT-ATU Retirement Plan document attached as Exhibit A, and grant the General Manager/CEO the authority to execute on behalf of RT.

Approved:

Presented:

Final 7/12/12

General Manager/CEO

Chief Administrative Officer

RESOLUTION NO. 12-07-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 23, 2012

**APPROVING THE SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT  
PLAN DOCUMENT FOR EMPLOYEE MEMBERS OF  
AMALGAMATED TRANSIT UNION, LOCAL 256**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Sacramento Regional Transit District Retirement Plan document for  
employee members of Amalgamated Transit Union, Local 256, attached hereto as Exhibit  
A, is hereby approved.

THAT, the General Manager/CEO is hereby granted authority to execute the RT-  
ATU Retirement Plan document on behalf of the Sacramento Regional Transit District.

\_\_\_\_\_  
BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**RETIREMENT PLAN  
FOR  
REGIONAL TRANSIT EMPLOYEES  
WHO ARE MEMBERS OF  
ATU LOCAL 256**

Adopted by the Board Of Directors

on

\_\_\_\_\_, 2012

As Restated Effective July 1, 2010

## TABLE OF CONTENTS

	Page
ARTICLE 1 INTRODUCTION.....	1
ARTICLE 2 DEFINITIONS .....	1
2.1 Actuarial Equivalence or Actuarial Equivalent .....	1
2.2 ATU .....	1
2.3 Beneficiary .....	1
2.4 Break in Service.....	1
2.5 Code .....	2
2.6 Compensation.....	2
2.7 Credited Service .....	3
2.8 Date of Hire.....	3
2.9 Disability .....	3
2.10 Disability Retirement Allowance .....	3
2.11 District.....	3
2.12 District Board .....	3
2.13 Domestic Partner .....	3
2.14 Eligible Employee .....	3
2.15 Employee.....	4
2.16 Final Monthly Compensation.....	4
2.17 Hour of Service .....	4
2.18 Member .....	4
2.19 Normal Retirement Age.....	4
2.20 Plan Year.....	4
2.21 Retirement Allowance .....	4
2.22 Retirement Board.....	4
2.23 Retirement Date.....	4
2.24 Spouse .....	4
2.25 Trust .....	4
2.26 Year of Service .....	5
ARTICLE 3 ELIGIBILITY AND PARTICIPATION .....	5
3.1 Eligible Employee .....	5
3.2 Commencement of Participation .....	5
3.3 Termination of Participation .....	5
3.4 Former Eligible Employees .....	5
ARTICLE 4 SERVICE .....	5

## TABLE OF CONTENTS

(continued)

	Page
4.1 General.....	5
4.2 Hour of Service .....	5
4.3 Year of Service .....	5
4.4 Break in Service.....	6
4.5 Military Service .....	6
4.6 Service with ATU .....	6
4.7 Layoff Status.....	7
ARTICLE 5 VESTING .....	7
ARTICLE 6 AEA/AFSCME/NON-REPRESENTED/IBEW TRANSFERS .....	7
6.1 Transfers From AEA, AFSCME, Non-Represented Employment or IBEW .....	7
6.2 Definitions .....	8
ARTICLE 7 SERVICE RETIREMENT .....	8
7.1 Retirement .....	8
7.2 Benefit Amount .....	8
7.3 Minimum Benefit .....	9
7.4 Time of Payment.....	9
7.5 Normal Form of Payment .....	9
7.6 Optional Forms of Payment .....	9
7.7 Reemployment After Retirement.....	10
7.8 Payment in Event of Death .....	10
7.9 Purchase of Service Credit .....	10
ARTICLE 8 DISABILITY RETIREMENT.....	11
8.1 Eligibility for Disability Retirement .....	11
8.2 Benefit Amount. ....	11
8.3 Time and Form of Payment.....	12
8.4 Determination of Disability .....	12
8.5 Reemployment After Disability Retirement.....	12
ARTICLE 9 SURVIVOR BENEFIT .....	13
9.1 Eligibility for Survivor Benefit.....	13
9.2 Eligible Recipients.....	13
9.3 Benefit Amount. ....	13
9.4 Time and Form of Payments.....	13

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
9.5 Cessation of Payments .....	13
9.6 Benefit Claims.....	13
9.7 Definitions.....	14
ARTICLE 10 PROOF OF AGE.....	14
ARTICLE 11 INALIENABILITY OF BENEFITS.....	14
11.1 Nonassignable Benefits .....	14
11.2 Exception for Qualified Orders .....	14
ARTICLE 12 FUNDING; AMENDMENT OR TERMINATION OF PLAN .....	15
12.1 Trust .....	15
12.2 Contributions.....	15
12.3 Amendment or Termination.....	15
12.4 No Impairment .....	15
12.5 Plan Assets Upon Termination.....	15
12.6 No Reversion of Plan Assets .....	15
ARTICLE 13 ADMINISTRATION.....	16
13.1 Retirement Board.....	16
13.2 Powers and Authority.....	16
13.3 Plan Expenses.....	16
13.4 Actuarial Valuation .....	16
13.5 Service Providers.....	16
13.6 Arbitration .....	17
ARTICLE 14 INVESTMENTS.....	18
14.1 Investment of Plan Assets.....	18
14.2 Reliance on Advisors .....	18
14.3 Trust or Custodial Arrangement .....	19
14.4 Common Trust Funds .....	19
ARTICLE 15 ANNUAL BENEFIT LIMIT .....	19
15.1 Limitation .....	19
15.2 Alternate Limitation .....	19
15.3 Fewer than 10 Years of Participation .....	19
15.4 Reduced Dollar Limit Before Age 62 .....	19
15.5 Increased Dollar Limit After 65th Birthday .....	20

## TABLE OF CONTENTS

(continued)

	<b>Page</b>
15.6 Adjustment for Optional Form of Payment.....	20
15.7 Multiple Plan Limit.....	20
15.8 Definitions.....	20
ARTICLE 16 MANDATORY DISTRIBUTION REQUIREMENTS .....	21
16.1 Minimum Required Distributions .....	21
16.2 Eligible Rollover Distributions.....	21
ARTICLE 17 MISCELLANEOUS.....	23
17.1 USERRA and HEART Compliance .....	23
17.2 Overpayments .....	23
17.3 Controlling Plan Provisions .....	23
17.4 Incompetent Payee .....	23
17.5 No Employment or Service Rights .....	23
17.6 Governing Law.....	23
17.7 Beneficiary Designation .....	23
ARTICLE 18 EXECUTION .....	24
APPENDIX A ACTUARIAL EQUIVALENCE .....	25
APPENDIX B RETIREMENT ALLOWANCE AS IN EFFECT ON FEBRUARY 28, 1993 .....	26
APPENDIX C AGREEMENT REGARDING RETIREMENT PLAN RECIPROCITY.....	28
APPENDIX D MINIMUM DISTRIBUTION REQUIREMENTS .....	31

## ARTICLE 1

### INTRODUCTION

The Sacramento Regional Transit District originally adopted this Retirement Plan for Regional Transit Employees who are Members of ATU Local 256 (the "Plan"), effective April 1, 1974. Since then, the District has amended and restated the Plan on numerous occasions. This Retirement Plan supersedes all prior retirement plans which the parties hereto were signatories.

Effective July 1, 2010, the District hereby restates the Plan. The restatement is designed to conform the Plan's terms to recent changes in governing tax laws, and to clarify the Plan's intended operation. The restatement is not intended to eliminate or reduce any benefit or right provided under the Plan as in effect on June 30, 2010.

The Plan is a defined benefit pension plan, and is intended to meet the applicable requirements for qualification under section 401(a) of the Code. The Plan is a governmental plan within the meaning of section 414(d) of the Code.

This Plan document applies to every Member who is credited with an Hour of Service on or after July 1, 2010. All other Members will be covered by the Plan provisions that were in effect on the last date on which the Member was credited with an Hour of Service; however, each provision in this Plan document that has a specific effective date before July 1, 2010 will apply to every Member who is credited with an Hour of Service on or after that effective date.

Capitalized terms used in the Plan are defined in Article 2, unless otherwise indicated.

## ARTICLE 2

### DEFINITIONS

**2.1 "Actuarial Equivalence" or "Actuarial Equivalent"** means an actuarially equivalent amount, determined using the factors specified in Appendix A.

**2.2 "ATU"** means the Amalgamated Transit Union, Local 256.

**2.3 "Beneficiary"** means any person designated by a Member to receive payment of benefits under the Plan, or who otherwise qualifies for receipt of benefits under the Plan.

**2.4 "Break in Service"** means the cessation of an Employee's service with the District as an Employee due to resignation, discharge, death, retirement, or any other reason. A Break in Service does not include any of the following break periods:

(a) a leave of absence that is approved in writing by the District, or any period during which the Employee is entitled to receive temporary benefits under California disability laws, but only to the extent the period does not exceed 24 consecutive months. If either such break period (or if the two are taken consecutively, the combined break period) exceeds 24 consecutive months, the Employee will have a Break in Service effective on the day after the last day of the 24-month period. The Retirement Board may extend the 24-month limit for good cause.



(b) Absence from employment with the District for any cause for less than 90 days, provided that the absence does not result in a loss of seniority under the applicable collective bargaining agreement and provided that the Employee returns to work as an Eligible Employee within such 90-day period.

(c) Any cessation of an Employee's service with the District described in Sections 4.6 through 4.7, inclusive.

**2.5** "Code" means the Internal Revenue Code of 1986, as amended.

**2.6** "Compensation" with respect to a Member will be determined as follows:

(a) Compensation includes:

(1) base salary paid in cash for personal services actually rendered in the course of employment with the District, to the extent that the amounts are includible in the gross income of the Member;

(2) cash received for overtime and shift differentials;

(3) bonuses and commissions;

(4) cash received in lieu of vacation or sick leave;

(5) amounts deducted, pursuant to a salary reduction agreement, by the District from the Member's base salary that are not includible in the Member's gross income under sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b) of the Code;

(6) Member contributions to the Plan that are treated as employer contributions in accordance with section 414(h)(2) of the Code;

(7) cash received in lieu of group health coverage under a Code section 125 arrangement; and

(8) differential wages, that is, payments made by the District to the Member with respect to any period during which he or she is performing service in the uniformed services (as defined in chapter 43, title 38, United States Code) while on active duty for more than 30 days, but only to the extent those payments represent wages the Member would have received from the District if he or she were performing service for the District.

(b) Compensation does not include:

(1) District contributions to a plan described under section 457(b) or (f) of the Code;

(2) distributions from a plan of deferred compensation;

(3) the monetary value of board, lodging, fuel, laundry, uniforms, or other advantages supplied to the Member;

(4) uniform or tool allowances provided to the Member; and

(5) any other benefit that is not specifically included in Compensation in accordance with subsection (a) of this Section, regardless of whether the benefit is received in cash or includible in the Member's gross income.

(c) For Plan Years beginning on or after January 1, 1989, and before January 1, 1996, in no event may a Member's annual Compensation exceed \$200,000, as adjusted at the same time and in the same manner as section 415(d) of the Code. For Plan Years beginning on or after January 1, 1996, and before January 1, 2002, the annual Compensation of each Member taken into account for determining all benefits provided under the Plan for any Plan Year may not exceed \$150,000, as adjusted for the cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. For Plan Years beginning on or after January 1, 2002, the annual Compensation of each Member taken into account in determining all benefits under the Plan for any Plan Year may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code.

(1) In determining benefit accruals for Plan Years beginning after December 31, 2001, the annual Compensation limit in this Section for determination periods beginning before January 1, 2002 will be \$200,000 if a Member has an Hour of Service on or after January 1, 2002.

(2) The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the Plan Year that begins with or within such calendar year.

**2.7 "Credited Service"** means a Member's service as an Eligible Employee for which the Member receives credit under the Plan. See Article 4.

**2.8 "Date of Hire"** means the date on which an Employee is first entitled to payment for an Hour of Service for the District. For an Employee who has had a Break in Service, Date of Hire means the date on which the Employee is first entitled to payment for an Hour of Service after the Break in Service.

**2.9 "Disability"** means a permanent physical or mental condition of an Eligible Employee, resulting from illness or injury, that disqualifies the Employee from performing the duties of his or her position with the District for reasons not constituting cause for discharge, as determined in accordance with Section 8.4.

**2.10 "Disability Retirement Allowance"** means the benefit payable to the Member upon his or her retirement for Disability as set forth in Article 8.

**2.11 "District"** means the Sacramento Regional Transit District.

**2.12 "District Board"** means the District's board of directors.

**2.13 "Domestic Partner"** means a person who has entered into a registered domestic partnership with a Member in accordance with Division 2.5 of the California Family Code, as amended.

**2.14 "Eligible Employee"** means an Employee who meets the requirements specified in Section 3.1.

**2.15 “Employee”** means any person who is employed by the District under a common-law relationship and does not include a “leased employee” within the meaning of section 414(n) of the Code or a person under a third-party contract or personal services contract with the District. Notwithstanding the preceding sentence, if during any period the District does not classify a person as a common-law employee and, for that reason, does not withhold income or employment taxes with respect to that person, then he or she will not be eligible to participate in the Plan during that period, even if he or she is later determined, retroactively, to have been a common-law employee during all or any portion of the period. A person’s status as an Employee will be determined by the District, and that determination will be conclusive and binding on all parties.

**2.16 “Final Monthly Compensation”** means (a) for purposes of calculating the amount of the survivor benefit under Section 9.3 only, the average monthly Compensation received by a Member during the consecutive 48-month period immediately preceding his or her death, and (b) for all other purposes under the Plan, the highest average monthly Compensation received by a Member during any consecutive 48-month period of employment with the District as an Eligible Employee. For this purpose, if a Member (a) retires for Disability, and (b) is absent due to that Disability for a period of more than 22 consecutive days, the Member’s Compensation during such period is deemed to be the quotient of (a) the sum of the Compensation received by the Employee immediately above and the Employee immediately below the Member in seniority during such period, divided by (b) two. If there is no Employee immediately above the Member in seniority, the preceding sentence will be applied by using the Compensation received by the two Employees immediately below the Member in seniority during such period.

**2.17 “Hour of Service”** means Hour of Service as defined in Article 4.

**2.18 “Member”** means a person who has commenced participation in the Plan under Section 3.2, and whose participation has not terminated under Section 3.3.

**2.19 “Normal Retirement Age”** means the later of (i) the Member’s attainment of age 62, or (ii) the Member’s completion of 10 Years of Service.

**2.20 “Plan Year”** means the 12-month period beginning on each July 1 and ending on the following June 30.

**2.21 “Retirement Allowance”** means the benefit payable to a Member upon his or her retirement from service as set forth in Article 7.

**2.22 “Retirement Board”** means the entity responsible for operating and administering the Plan. See Section 13.1.

**2.23 “Retirement Date”** means the day after the date on which the Member meets the requirements under Sections 7.1 or 8.1, as applicable, to retire and receive a Retirement Allowance or Disability Retirement Allowance under the Plan.

**2.24 “Spouse”** means a person who has entered into a marriage with a Member pursuant to California Family Code section 300 et seq.

**2.25 “Trust”** means the trust established by the District to fund the benefits payable under the Plan. See Article 12.

**2.26 “Year of Service”** means Year of Service as defined in Article 4.

### **ARTICLE 3**

#### **ELIGIBILITY AND PARTICIPATION**

**3.1 Eligible Employee.** A person will become an Eligible Employee on the date he or she first: (a) becomes an Employee; and (b) is a member of the bargaining unit represented by ATU.

**3.2 Commencement of Participation.** Each person who was a Member under the Plan as in effect immediately before July 1, 2010, will remain a Member. On and after that date, a person will become a Member on the date that he or she first becomes an Eligible Employee.

**3.3 Termination of Participation.** Once a person becomes a Member, he or she will remain a Member until the earliest of (a) his or her death; (b) the payment, withdrawal or transfer of all vested benefits due to the Member under the Plan; (c) the Member has a Break in Service before meeting the applicable vesting conditions under the Plan for receiving a benefit; or (d) the termination of the Plan.

**3.4 Former Eligible Employees.** If a person ceases to be an Eligible Employee for any reason, he or she will again become an Eligible Employee upon meeting the requirements of Section 3.1.

### **ARTICLE 4**

#### **SERVICE**

**4.1 General.** Credited Service includes a Member's continuous, uninterrupted employment with the District as an Eligible Employee, beginning with the Member's most recent Date of Hire through and including his or her Break in Service.

**4.2 Hour of Service.** An Hour of Service will be credited in accordance with the following provisions:

(a) An Hour of Service will be credited for each hour for which the Member is paid, or entitled to payment, for the performance of duties for the District as an Eligible Employee subsequent to the Member's most recent Date of Hire. These Hours of Service shall be credited to the Member for the period(s) in which the duties are performed.

(b) An Hour of Service will be credited for each hour for which the Member is paid, or entitled to payment, by the District as an Eligible Employee on account of a period of time subsequent to his or her most recent Date of Hire during which no duties are performed due to vacation, holiday, illness, disability, layoff, jury duty, military duty or leave of absence authorized by the District or any leave authorized by applicable law. If, however, the Member has a Break in Service, no additional Hours of Service will be credited to the Member on or after the date of the Break in Service.

**4.3 Year of Service.** A Year of Service shall be credited in accordance with the following provisions:

(a) For any period during which a Member is employed as an Eligible Employee in a job classification designated as full-time under the terms of the applicable collective bargaining agreement between ATU and the District, the Member will be credited with one Year of Service for each 12 consecutive month period of employment subsequent to the Member's most recent Date of Hire as an Eligible Employee during which the Member is in continuous service with the District without a Break in Service.

(b) For all other periods of employment as an Eligible Employee, including but not limited to part-time employment, a Member will be credited with one Year of Service for each 2,080 Hours of Service credited to the Member subsequent to the Member's most recent Date of Hire as an Eligible Employee.

(c) Each person who was a Member on June 30, 2010, and who was entitled to receive credit under the Plan as in effect on that date for employment before April 1, 1979 with a predecessor entity of the District, will be credited with Years of Service for that service.

**4.4 Break in Service.** If a Member has a Break in Service and is subsequently reemployed by the District as an Eligible Employee, the following will apply:

(a) If the Member is vested under the Plan before the Break in Service, then the Member's Retirement Allowance attributable to Credited Service before the Break in Service will be determined in accordance with the Plan as in effect at the start of the Break in Service. In addition, the Member may accrue another, separate Retirement Allowance for Credited Service after the Break in Service, determined in accordance with the Plan as in effect at the Member's subsequent retirement. The Retirement Allowance for each continuous period of Credited Service before and after the Break in Service will be calculated by taking into account only the Member's Credited Service and Compensation for each such separate but continuous period.

(b) If the Member is not vested under the Plan before the Break in Service, then he or she will not be entitled to any benefit under the Plan for Credited Service or Compensation before the Break in Service. In addition, any Retirement Allowance attributable to the Member's Credited Service after the Break in Service will be calculated without taking into account any Credited Service or Compensation before the Break in Service. Upon good cause shown, the Retirement Board may allow all or a portion of such pre-Break in Service amounts to be counted.

**4.5 Military Service.** A Member is absent on military service when he or she is absent from service with the District by reason of service with the Armed Forces or the Merchant Marine of the United States, or on ships operated by or for the United States government. A Member will receive credit for any increases in Years of Service and in Compensation or Final Monthly Compensation that would otherwise have occurred for all such military service. This will not be construed to regard military service as time worked in the event the military service is performed prior to commencement of service for the District or as the result of military service performed after employment with the District or a predecessor has been terminated by reason of resignation, voluntary quit, or discharge, even if the Member later resumes employment with the District. See also Section 17.1.

**4.6 Service with ATU.** If an Eligible Employee goes on temporary leave of absence from District employment in order to work for ATU, then he or she will (i) continue to participate in the Plan during the leave period, (ii) receive service credit under the Plan for the leave period

in accordance with Section 4.3(a) or (b), whichever applies based on the Member's job classification as in effect on the day before the first day of the leave period, and (iii) will not suffer any impairment of the credited service or Compensation or Final Monthly Compensation for the purpose of calculating either service or Compensation or Final Monthly Compensation under the terms of the Plan. For this purpose, the Member's Compensation for the leave period will be the Compensation the District would have paid to the Member for the leave period had it not occurred based on the pay rate for the Member's job classification in effect on the day before the first day of the leave.

**4.7 Layoff Status.** If an Eligible Employee returns to employment as an Eligible Employee after being placed on layoff status, he or she will be credited with up to a maximum of four Years of Service for the layoff period, but only if he or she returns to employment by the last day by which recall to employment is required in order to avoid loss of seniority, as specified in the collective bargaining agreement between the District and the ATU in effect at the time of recall. Any Years of Service credited under this paragraph will be determined under Section 4.3(a) or (b), whichever applies based on the Eligible Employee's job classification on the day before the layoff period.

(a) This Section 4.7 shall not apply to Members who are recalled to employment if the Member received a Retirement Allowance under this Plan during the period of layoff preceding the recall.

(b) Nothing in this Section 4.7 shall be construed to extend in any way nor to substitute for a Member's rights to credit for service under Section 2.4.

## ARTICLE 5

### VESTING

A Member will become 100% vested in his or her benefits under the Plan upon the earlier of: (i) the Member's attainment of Normal Retirement Age; or (ii) the Member's completion of 10 Years of Service. To the extent a Member's benefits under the Plan are vested, they are nonforfeitable.

## ARTICLE 6

### AEA/AFSCME/NON-REPRESENTED/IBEW TRANSFERS

#### **6.1 Transfers From AEA, AFSCME, Non-Represented Employment or IBEW.**

This Section 6.1 applies to any Member who retires under the Plan or who dies while an Eligible Employee, but who, before becoming a Member, received credit for service under the Salaried Plan, the IBEW Plan or both. With respect to any such Member:

(a) If the Member has a partially or fully vested retirement benefit under the Salaried Plan or IBEW Plan, the Member's prior service and earnings while covered under such plan will not be counted under this Plan for purposes of calculating the amount the Member's Retirement Allowance, Disability Retirement Allowance, or survivor benefit, as applicable. Such service will, however, be counted as Credited Service for the sole purpose of determining eligibility for those benefits, but only if (1) the prior service would have, if the Member were a member of the bargaining unit represented by ATU, counted as Credited Service under this

Plan, and (2) the Member did not have a Break in Service immediately before becoming a Member of this Plan.

(b) If the Member does not have any vested retirement benefit under the Salaried Plan or IBEW Plan, the Member's prior service and earnings while covered under such plan will be counted for all purposes under this Plan (including calculation of the Member's Retirement Allowance and Disability Retirement Allowance), but only if (1) the prior service and earnings would have, if the Member were a member of the bargaining unit represented by ATU, counted as Credited Service or Compensation under this Plan, and (2) the Member did not have a Break in Service immediately before becoming a Member of this Plan.

**6.2 Definitions.** For purposes of this Article 6:

(a) "Salaried Plan" means the Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees.

(b) "IBEW Plan" means the Retirement Plan Between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District.

## ARTICLE 7

### SERVICE RETIREMENT

**7.1 Retirement.** A Member will be eligible to retire and receive payment of a Retirement Allowance under the Plan upon meeting the following requirements:

- (a) Either:
- (1) the Member has attained age 55 and completed at least 10 Years of Service; or
  - (2) the Member has completed at least 25 Years of Service;
- (b) the Member's service as an Employee terminates; and
- (c) the Member has completed and submitted an application for benefits, at the time and manner determined by the Retirement Board.

**7.2 Benefit Amount.** A Member's Retirement Allowance is the product of the Member's Final Monthly Compensation, Years of Service, and a percentage multiplier. The Retirement Allowance will be determined under subsection (a) or (b) below, whichever produces the highest Retirement Allowance. If as a result of a Break in Service a Member is entitled to more than one Retirement Allowance as set forth in Section 4.4, the provisions of this Section shall be applied separately to each Retirement Allowance.

(a) A Retirement Allowance equal to the amount the Member would have received had the Member's Retirement Allowance been computed based upon the Member's age and Years of Service as of June 14, 1993, and according to the Plan provisions in effect on February 28, 1993, as set forth in Appendix B; or

(b) A Retirement Allowance determined based upon the Member's age and Years of Service on the date of the Member's last day of service under the Plan, and the applicable multiplier in the table below:

<b>Age or Years of Service</b>	<b>Percentage Multiplier</b>
<b>55 or 25 years</b>	<b>2.0%</b>
<b>56 or 26 years</b>	<b>2.1%</b>
<b>57 or 27 years</b>	<b>2.2%</b>
<b>58 or 28 years</b>	<b>2.3%</b>
<b>59 or 29 years</b>	<b>2.4%</b>
<b>60+ or 30 years +</b>	<b>2.5%</b>

**7.3 Minimum Benefit.** The following minimum benefit levels, as determined in the Normal Form of Retirement Allowance, will apply to those already retired and to future retirees.

Over 25 Years of Service .....	\$600.00
Over 20 but less than 25 Years of Service..	\$500.00
Over 15 but less than 20 Years of Service..	\$400.00
Over 10 but less than 15 Years of Service..	\$300.00
Minimum 10 Years of Service.....	\$300.00

**7.4 Time of Payment.**

(a) A Member's retirement under this Article 7 will be effective on his or her Retirement Date.

(b) Payment of the Member's Retirement Allowance will begin on the Retirement Date, or as soon as administratively practicable thereafter. If payments of the Retirement Allowance begin after the Retirement Date, the first payment will consist of, in addition to the regular monthly payment, a retroactive payment equal to the total of all payments due from the Retirement Date until the date of the first payment, without any adjustment for interest.

**7.5 Normal Form of Payment.** The normal form of Retirement Allowance is a single-life annuity for the Member's life alone, payable monthly for the Member's life with no continuing payments after his or her death.

**7.6 Optional Forms of Payment.** A Member may elect, in lieu of the normal form of payment, to receive payment of his or her Retirement Allowance under one of the three optional forms of payment set forth below. Each of the optional forms will be Actuarially Equivalent to the Member's normal form of Retirement Allowance, determined as of the Member's Retirement Date. The Member must make such election, or any subsequent revocation or change of election, before the first payment of the Retirement Allowance.

(a) 100% survivor annuity: A monthly annuity payable to the Member for his or her life, with a monthly annuity payable after the Member's death, in an amount equal to 100% of the Member's monthly annuity, to the Member's Beneficiary for his or her life.



(b) 50% survivor annuity: A monthly annuity payable to the Member for his or her life, with a monthly annuity payable after the Member's death, in an amount equal to 50% of the Member's monthly annuity, to the Member's Beneficiary for his or her life.

(c) Social security leveling: A monthly annuity payable to the Member for his her life, in an amount that, when combined with the Member's Social Security benefits, provides an approximately level amount of monthly payments to the Member throughout retirement. For this purpose, the Member is presumed to receive Social Security benefits upon attaining age 62. Accordingly, under this payment option, the Member's monthly benefit payment under the Plan before his or her attainment of age 62 will be approximately equal to the sum of the Member's (1) monthly Social Security payment after attaining age 62, and (2) monthly benefit payment under the Plan after attaining age 62. This optional form of payment is available only to a Member who has not attained age 62 as of his or her Retirement Date and who has elected to receive the unmodified Retirement Allowance.

If a Member elects the 100% or 50% survivor annuity and the Beneficiary is the Member's Spouse or Domestic Partner and such Spouse or Domestic Partner predeceases the Member within 36 months after the date on which the Retirement Allowance is first payable, the Member's Retirement Allowance will be increased to the amount the Member would have received had such Member selected the normal form of retirement allowance. Such increase will be payable with the first monthly payment made to the Member following the date of death of the Member's Spouse or Domestic Partner or the date of receipt by the Retirement Board of notice of the death of the Spouse or Domestic Partner, whichever occurs later.

**7.7 Reemployment After Retirement.** If Member is reemployed by the District as an Employee after retiring under this Article 7, the Member's Retirement Allowance will automatically be suspended. Payment of the Member's Retirement Allowance will resume on the first day of the month after the subsequent termination of the Member's service as Employee.

**7.8 Payment in Event of Death.** In the event that a retired Member dies on a day other than the last calendar day of a month, the Member's Retirement Allowance payment for that month shall be prorated to that day and paid to the Member's Beneficiary or to the Member's estate if there is no living Beneficiary. If the retired Member dies on the last day of a calendar month, the Member's full Retirement Allowance payment for that month shall be paid to the Member's Beneficiary or estate as the case may be.

**7.9 Purchase of Service Credit.** A Member who has terminated his or her employment with the District due to a Disability, whether incurred on or off the job, who recovers from his or her Disability and returns to employment as an Eligible Employee with the District, may purchase additional Years of Service for the period of his or her Disability. The Plan's actuary shall determine the amount of contribution required for the Disability period upon request for such information. The contribution required shall equal the increase in the Plan's fully projected actuarial liabilities for the additional benefit provided to the Member and shall be calculated based on the actuarial assumptions used to determine District contributions to the Trust, as determined by the Retirement Board. The Member is required to contribute the designated amount within 120 days of returning to work for the District (or within 120 days of the date the actuary determines the cost, whichever is later). If, however, the Member subsequently retires prior to the expiration of the 120 days, the full payment must be made by the effective date of his or her subsequent retirement. Subject to the Retirement Board's approval, the Member may make the required contribution either (1) on an after-tax basis, or (2)

in the form of a direct trustee-to-trustee transfer from an eligible Code section 457(b) deferred compensation plan to which Code section 457(e)(17) applies.

## ARTICLE 8

### DISABILITY RETIREMENT

**8.1 Eligibility for Disability Retirement.** A Member will be eligible to retire and receive a Disability Retirement Allowance upon meeting the following requirements:

- (a) the Member incurs a Disability at a time he or she is an Eligible Employee;
- (b) the Member has completed at least 10 Years of Service;
- (c) the Member's service as Employee terminates; and
- (d) the Member has completed and submitted an application for benefits, at the time and manner determined by the Retirement Board.

**8.2 Benefit Amount.**

(a) Upon retirement for Disability, the Member will receive a Disability Retirement Allowance equal to the applicable Retirement Allowance set forth in Article 7. If the Member has not reached age 55 or completed 25 Years of Service upon retiring for Disability, the 2% multiplier will be used to calculate the Member's Disability Retirement Allowance.

(b) A Member's Disability Retirement Allowance upon retiring for Disability may not exceed the amount that the Member would have received as a Retirement Allowance under Section 7.2 if the Member had retired from service on the same Retirement Date.

(c) A Member's monthly Disability Retirement Allowance will be reduced by 50% of the amount of earned income received by the Member from other sources, but only to the extent that income exceeds 50% of the Member's average monthly Compensation during the Member's last 12 months of service. This offset is subject to the following:

(1) This offset will not apply to earnings after the 62nd birthday of any retiree.

(2) Income from dividends and interest, real property or farm income, or property management will not be offset against the Disability Retirement Allowance.

(3) The nature of the work, rather than the manner of payment, controls the determination of whether it is income.

(4) Earnings are considered earned in the year in which they are received; however, income received in one year may be allocated to more than one year if, in the sole discretion of the Retirement Board, such allocation more correctly reflects the year in which the earnings were earned.

(5) A Member must furnish the Retirement Board, from time to time, with such information as may be determined by the Retirement Board to be necessary to properly ascertain earnings. This will include authorization for access to Social Security records. The Disability Retirement Allowance will be suspended if the Member fails to furnish the requested information or cooperate with the Retirement Board in obtaining the information.

### **8.3 Time and Form of Payment.**

(a) A Member's retirement under this Article 8 will be effective on his or her Retirement Date.

(b) The Disability Retirement Allowance will be paid monthly. Payments will begin on the Retirement Date, or as soon as administratively practicable thereafter. If payments of the Disability Retirement Allowance begin after the Retirement Date, the first payment will consist of, in addition to the regular monthly payment, a retroactive payment equal to the total of all payments due from the Retirement Date until the date of the first payment, without any adjustment for interest.

**8.4 Determination of Disability.** Whether a Member has incurred a Disability will be determined as follows:

(a) The Retirement Board has sole authority to determine whether a Disability has occurred. The Retirement Board will make its determination based on medical evidence.

(b) The Retirement Board may require any recipient of a Disability Retirement Allowance, while under the age of 55, to undergo medical examination. The examination will be made by a physician or surgeon appointed by the Retirement Board in the recipient's city of residence or other mutually agreed-upon location. Based on the examination, the Retirement Board will determine whether the Member is still incapacitated, physically or mentally, for duty in the position held by the Member when he or she retired for Disability.

(c) Any failure on a Member's part to follow reasonable courses of medical care prescribed that would lead to return to duty will be cause for rejection of application for a Disability Retirement Allowance, as may be determined by the Retirement Board.

(d) If the Retirement Board determines that the recipient is not so incapacitated for duty in the position held when retired for Disability, his or her Disability Retirement Allowance will be immediately canceled.

### **8.5 Reemployment After Disability Retirement.**

(a) If a Member receiving a Disability Retirement Allowance applies for a position with the District, the Retirement Board will cause a medical examination to be made in order to determine whether the Member is physically or mentally incapacitated for that position.

(b) If any recipient of a Disability Retirement Allowance is reemployed by the District, his or her Disability Retirement Allowance will be canceled. No Break in Service will result from the period of Disability.

## ARTICLE 9

### SURVIVOR BENEFIT

**9.1 Eligibility for Survivor Benefit.** If a Member dies while an Eligible Employee after completing at least 10 Years of Service, a survivor benefit will be payable in accordance with this Article 9 to the Member's surviving Eligible Spouse, Eligible Domestic Partner, or Eligible Child (or eligible children).

**9.2 Eligible Recipients.** The survivor benefit will be payable to the Member's surviving Eligible Spouse or Eligible Domestic Partner for his or her life. If no Eligible Spouse or Eligible Domestic Partner survives the Member, the benefit will be payable to the surviving Eligible Child (or if there is more than one Eligible Child, to the eligible children) for as long as he or she remains an Eligible Child.

**9.3 Benefit Amount.**

(a) The survivor benefit will be equal to the Actuarial Equivalent of the Retirement Allowance to which the deceased Member would have been entitled to receive under Article 7 if the Member had retired on the day before his or her death, but calculated for this purpose, in accordance with Section 2.16, by using the Member's the average monthly Compensation received by the Member during the consecutive 48-month period immediately preceding his or her death to determine the Member's Final Monthly Compensation.

(b) If a Member dies before attaining the applicable minimum age to retire under the Plan, the survivor's benefit will be determined by using the lowest percentage multiplier set forth in Article 7.

(c) If the Member has more than one Eligible Child, the survivor benefit will be equally divided among, and paid to, the eligible children. When each such child is no longer an Eligible Child, his or her portion of the survivor benefit will lapse, and each remaining Eligible Child will receive only that portion of the benefit to which he or she was entitled when eligibility was determined.

**9.4 Time and Form of Payments.** The survivor benefit will be payable in equal monthly payments. Payment will begin as of the first day of the month after the Member's death, or as soon as administratively practicable thereafter. In addition, the payment will be effective from the date of the Member's death. The survivor benefit for the month of death will be prorated from the date of death based upon the number of working days in that month.

**9.5 Cessation of Payments.** Payments of the survivor benefit to an Eligible Spouse or Eligible Domestic Partner will continue until, and will cease upon, his or her death. Payments of the survivor benefit to an Eligible Child will continue until, and will cease upon, the earlier of his or her death, or the date he or she ceases to be an Eligible Child.

**9.6 Benefit Claims.** An eligible survivor may claim the survivor benefit by submitting to the Retirement Board proof of eligibility together with a certified copy of a death certificate of the deceased Member. The claimant may be required to supply additional information or documentation at the Retirement Board's request. This information is to be used to establish initial and continuing eligibility. Eligibility may be established by the following documentation:

- (a) for an Eligible Spouse, by a valid certificate of marriage;
- (b) for an Eligible Child, by a valid birth certificate or decree of adoption;
- (c) for an Eligible Domestic Partner, by a Declaration of Domestic Partnership registered in the manner set forth under section 298 of the California Family Code; or
- (d) any other documentation determined by the Board of Retirement to be sufficient to establish eligibility.

In the case of contested eligibility, the claimant will be required to acquire a judicial determination at no cost to the District or the Plan.

**9.7 Definitions.** For purposes of this Article 9, the following definitions apply:

- (a) “Eligible Spouse” means a Member’s surviving Spouse, but only if the marriage was valid under California law on the date of the Member’s death.
- (b) “Eligible Domestic Partner” means a Member’s surviving Domestic Partner, but only if the domestic partnership was valid under California law on the date of the Member’s death.
- (c) “Eligible Child” means a Member’s surviving natural or adopted child, but only so long as he or she does not have a Spouse or Domestic Partner and has not attained age 21. The child will cease to be an Eligible Child upon the earlier of his or her 21st birthday or the date he or she has a Spouse or Domestic Partner.

## **ARTICLE 10**

### **PROOF OF AGE**

Members and their Beneficiaries must provide proof of age satisfactory to the Retirement Board. After a Member or Beneficiary has advised the Retirement Board of his or her date of birth, the Retirement Board must consent to any requested correction. This does not preclude the Retirement Board from, at any time, investigating and demanding correction of the date of birth. Any such permitted correction requires proper actuarial adjustment of retirement benefits.

## **ARTICLE 11**

### **INALIENABILITY OF BENEFITS**

**11.1 Nonassignable Benefits.** Except to the extent required by applicable law and Section 11.2, no Member or Beneficiary may assign, transfer, encumber, or anticipate his or her interest in any retirement funds accumulated under the Plan or in any retirement benefit paid from the Plan. Funds and benefits under the Plan are not in any way subject to any legal process to levy upon or attach the same for the payment of any claim against any Member or Beneficiary.

**11.2 Exception for Qualified Orders.** Payment must be made in accordance with the provisions of any judgment, decree, or order which the Retirement Board determines to be a

qualified domestic relations order. For purposes of determining benefits under a qualified domestic relations order, actuarial equivalence must be determined using the actuarial assumptions used for funding the Plan, as adopted by the Retirement Board from time to time. For purposes of this Section, the term “qualified domestic relations order” means an order of a court of competent jurisdiction that is made under a state domestic-relations law, and that relates to the provision of child support, alimony payments or marital or other property rights to a Spouse, former Spouse, Domestic Partner, former Domestic Partner, child or dependent (“alternate payee”) and that would satisfy the requirements of section 414(p) of the Code. The Plan does not permit distributions to commence to an alternate payee under a qualified domestic relations order until the Member has terminated employment and has otherwise met the requirements for entitlement to commence receiving payment of his or her Retirement Allowance.

## ARTICLE 12

### FUNDING; AMENDMENT OR TERMINATION OF PLAN

**12.1 Trust.** All amounts contributed by the District to the Plan will be deposited in the Trust.

**12.2 Contributions.** The District must from time to time (at least annually to the extent necessary) make contributions to the Trust adequate to finance benefits provided by the Plan on a sound actuarial basis. Any forfeitures must be used to reduce the District contributions otherwise payable. Employee contributions will be permitted under the Plan only in accordance with (a) Article 7, or (b) the terms of a collective bargaining agreement or memorandum of understanding between the District and ATU.

**12.3 Amendment or Termination.** This Plan may be amended, altered, or modified, or a successor plan may be adopted at any time with the consent of the District, or its successors in interest, and ATU. No amendment, alteration, modification, or termination of the Plan may adversely affect any accrued rights of any Member without corresponding advantages, but in all other respects such amendments, alterations, or modifications will be binding upon Members. If the Plan is terminated, the rights of Members to the benefits accrued under the Plan to the date of the termination, to the extent funded, will be nonforfeitable.

**12.4 No Impairment.** No alteration, amendment, termination, or discontinuance of contributions may be effected as to any Member if it violates applicable state or federal laws or, if applicable, the terms of any lawful collective bargaining agreement executed by the District with the ATU.

**12.5 Plan Assets Upon Termination.** If the Plan is terminated, all funds held under the Trust will be applied to provide for benefit payments owed to Members then retired. If the amount in the Trust is insufficient for this purpose, it will be prorated among those Members. Any amount remaining in the Trust after the allocation to retired Members will be allocated to non-retired Members on the basis of the actuarial reserves for their benefits, oldest first, until the Trust funds have been completely allocated.

**12.6 No Reversion of Plan Assets.** Notwithstanding any other provision hereof or any amendment hereto to the contrary, at no time may any amount held in the Trust revert to the District or be used for or diverted to purposes other than for the exclusive benefit of

Members or their Beneficiaries under the Plan and paying the reasonable expenses of administering the Plan and Trust.

## ARTICLE 13

### ADMINISTRATION

**13.1 Retirement Board.** The Plan is administered by a Retirement Board. The Retirement Board consists of four regular members, two appointed by ATU, and the other two appointed by the District Board, and two alternates, one appointed by ATU and one appointed by the District Board;

**13.2 Powers and Authority.** The Retirement Board administers and interprets all provisions of the Plan. In addition to any implied powers and duties which may be needed to carry out the authority granted to the Retirement Board under this Article 13 of the Plan and the California Public Utilities Code Section 99159, the duties, among others, of the Retirement Board include:

- (a) Authorizing the employment of such actuarial and other professional services as it may deem appropriate.
- (b) Responsibility for the filing and maintaining of personnel records necessary for operation of the Plan.
- (c) Authorizing the payment of retirement benefits under the Plan.
- (d) Approving, in accordance with applicable laws, mortality tables, interest rates, and other actuarial factors to be used in determining the requirements of the Plan.

In addition, the Retirement Board has each of the powers, authorities and responsibilities set forth in Section 17 of Article 16 of the California constitution with respect to a retirement board of a public pension or retirement system.

**13.3 Plan Expenses.** All expenses incurred in the administration of the Plan, including legal, actuarial fees and expenses, will be paid out of the Trust.

**13.4 Actuarial Valuation.** The Retirement Board will cause an actuarial valuation of the Plan to be made annually and an investigation as to the experience under the Plan not less frequently than every four years. The valuation will be conducted under the supervision of an actuary and will cover the mortality, service and compensation experience of the Members and Beneficiaries and shall evaluate the assets and liabilities of the Trust. Upon the basis of the investigation, evaluation, and recommendations of the actuaries, the Retirement Board will recommend to the District such changes in the actuarial assumptions and in contributions as are necessary.

**13.5 Service Providers.** The Retirement Board may engage such attorneys, actuaries, accountants, consultants or other persons to render advice or to perform services with regard to its responsibilities under the Plan as it may determine to be necessary or appropriate. The Retirement Board may designate one or more persons to carry out, where appropriate, responsibilities under the Plan. In particular, the Retirement Board may, upon the approval of a majority of its members, delegate its authority to approve the payment of

Retirement Allowances to the District's General Manager/CEO, but only if the General Manager/CEO (a) provides a report to the Retirement Board each quarter, if required by the Retirement Board, of the Retirement Allowances approved during that quarter, (b) provides written notice via first class mail to the ATU, at the address provided by the ATU, of any Retirement Allowance approved within two business days of approval, and (c) satisfies any other conditions and limitations established by the Retirement Board for such delegation. To the same extent, if any, that the Retirement Board delegates its authority to approve Retirement Allowances to the General Manager/CEO, the General Manager/CEO may, if he or she will be absent from the District for five or more consecutive business days, delegate such authority to a subordinate. The duties and responsibilities under the Plan of the Retirement Board or of the District as Plan sponsor that have not been delegated to other individuals pursuant to this section or which the Retirement Board or the District have not reserved to themselves will be carried out by the directors, officers and Employees of the District, acting on behalf of and in the name of the District in their capacities as directors, officers and Employees.

**13.6 Arbitration.** Arbitration in the event of disputes involving Members:

(a) Only disputes, claims, or grievances arising between ATU and the Retirement Board concerning the following matters will be submitted to arbitration:

- (1) the physical or mental condition of a Member;
- (2) the Member's earned income from other sources;
- (3) the determination of a Member's age;
- (4) the determination of a Member's service; and
- (5) computations of Compensation or Final Monthly Compensation.

No other disputed matters will be submitted to arbitration without the prior consent of the Retirement Board and the aggrieved Member.

(b) The Member or ATU, as applicable, will submit a written request for arbitration within 48 hours after the next regularly scheduled ATU meeting following the adverse decision of the Retirement Board. The matter will then be submitted to an arbitration board ("Arbitration Board").

(c) The Arbitration Board will consist of three members, appointed as follows: ATU will appoint the first member. The Retirement Board will appoint the second. These two appointments must be made, and each party must notify the other of their respective appointment, within 10 days after the date the matter is submitted for arbitration. The two appointed persons will endeavor to select the third member. If they cannot agree on the third member within 10 days of the last appointment, the third person will be selected as follows:

The parties will, within 10 days, jointly request the State Conciliation Service to list seven persons qualified to act as an impartial member of the Arbitration Board. ATU and the Retirement Board must, within 10 days of receiving that list, alternately strike three names from the list, and the seventh remaining name will thereupon become the third member of the Arbitration Board. The decision as to which will be first to start the elimination proceedings will be determined by lot.



(d) The issue to be submitted to the Arbitration Board will be limited to the dispute as submitted in writing and, unless otherwise agreed in writing, the jurisdiction of the Arbitration Board will be limited to the determination of said issue. The Arbitration Board will have no authority to modify, vary, alter, amend, add to or take away from, in whole or in part, any of the terms or provisions of the Plan.

(e) The Arbitration Board will meet in the City of Sacramento within 10 days after the selection of the third member, or as soon thereafter as possible.

(f) The Arbitration Board, or either party, may call any Member as a witness and such Member, if on duty, will be released from duty for the purpose of such appearance.

(g) The ruling of the Arbitration Board with respect to procedure and all obligations to the exclusion or inclusion of evidence will be binding on the parties.

(h) Each party must bear the expenses and fees of the Arbitration Board member appointed by it and its own expenses involved in the matter. All other expenses incurred by the Arbitration Board, including the making of a record, if the Arbitration Board deems it necessary, will be borne equally by the parties. The reimbursement of wages for Members called as witnesses where a loss of wages has been incurred by said Member, will be paid by the party calling such witness.

(i) The Arbitration Board's decision will be in writing and will be submitted within ten days from the conclusion of the hearing.

(j) The decision of the majority of the Arbitration Board will be final and binding on the parties.

## ARTICLE 14

### INVESTMENTS

**14.1 Investment of Plan Assets.** The Retirement Board will control and will safely keep the monies of the Trust. It will invest and reinvest the monies, and may from time to time sell any securities belonging to the Trust, and will invest and reinvest the proceeds therefrom. In the event that the Retirement Board does not enter into a contract of insurance under which the insurance company handles the investment of the Trust, no purchase or sale of securities may be effected by the Retirement Board except in accordance with advice of a corporate co-trustee or investment counsel designated by the Retirement Board. In selecting any investment counsel, the Retirement Board must choose from among firms of national reputation and must not designate any person or firm which derives a profit from the sale or purchase of any securities but, on the contrary, derives income solely from fees for investment advice. The Retirement Board may rely upon the advice of such a selected investment counsel in method and program of investments except to the extent that any particular investment or proportion of investment is precluded by applicable law.

**14.2 Reliance on Advisors.** Investment in or sale of securities pursuant to advice of the corporate co-trustee or investment counsel will be made on authorization of the Retirement Board, and the Retirement Board is permitted to allow such advisors to make selections and the timing of investments within guidelines established by the Retirement Board after consultation with such advisors. Investment in or sale of securities will not be made except on authorization

of the Retirement Board, or by an Employee, officer or director of the District to whom the Retirement Board has delegated the responsibility for making such authorization.

**14.3 Trust or Custodial Arrangement.** For the purpose of investing and reinvesting funds held under the Trust, the Retirement Board may enter into a custodial or trust agreement with a bank or trust company, or into a contract with an insurance company, subject to legal approval.

**14.4 Common Trust Funds.** The Retirement Board may commingle funds for the payment of benefits provided for in this Plan in a trust containing funds to finance the benefits for any other qualified defined benefit retirement plan maintained by the District for its Employees.

## ARTICLE 15

### ANNUAL BENEFIT LIMIT

**15.1 Limitation.** Unless the alternate limitation of Section 15.2 below applies, a Member's Annual Benefit for a Plan Year may not exceed the dollar limitation for defined benefit plans of \$160,000 under section 415(b)(1)(A) of the Code, as adjusted in such manner as the Secretary of the Treasury may prescribe. Any adjustment to the dollar limit will be effective for Plan Years ending with or within the calendar year with respect to which the adjustment is made, but a Member's benefits may not reflect the adjustment prior to January 1 of that calendar year.

**15.2 Alternate Limitation.** A Member's Annual Benefit is not subject to the limitation of Section 15.1 if:

- (a) The Member's Annual Benefit does not exceed \$10,000; and,
- (b) The Member has never participated in a qualified defined contribution plan maintained by the District.

**15.3 Fewer than 10 Years of Participation.** In the case of a Member who has not completed 10 years of participation in the Plan (determined with respect to the date as of which benefit payments are to commence), the dollar limitation under Section 15.1 will be multiplied by a fraction where:

- (a) the numerator of the fraction is the number of years and partial years of the Member's years of participation in the Plan; and,
- (b) the denominator is 10.

**15.4 Reduced Dollar Limit Before Age 62.** If a Member's Annual Benefit commences before the Member attains age 62, the dollar limitation in Section 15.1 is adjusted to commence payment at such age. This adjusted limitation is the actuarial equivalent, at such age, of the limitation in Section 15.1 commencing at age 62. For this purpose, the actuarial equivalent will be determined by using the Applicable Mortality Table and the Applicable Interest Rate.

**15.5 Increased Dollar Limit After 65th Birthday.** The limitation described in Section 15.1 above is increased if a Member's Annual Benefit commences after he or she attains age 65. This adjusted limitation is the actuarial equivalent, at the age the Annual Benefit commences, of the limitation in Section 15.1 commencing at age 65. For this purpose, the actuarial equivalent will be determined by using the Applicable Mortality Table and the Applicable Interest Rate.

**15.6 Adjustment for Optional Form of Payment.** If the Member's benefit is or was payable in a form other than a straight-life annuity, the Annual Benefit is a straight-life annuity that is the actuarial equivalent of such other form of benefit, determined using the Applicable Mortality Table and the Applicable Interest rate, but with the following exception. For purposes of adjusting any form of benefit subject to section 417(e)(3) of the Code, the rate of interest may not be less than the greatest of:

(a) 5.5%;

(b) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the applicable interest rate were the interest rate assumption (for this purpose, effective for Plan Years beginning on or after July 1, 2008, "applicable interest rate" means the applicable interest rate defined in section 417(e)(3)(C) of the Code, determined as of the third month preceding the Plan Year containing the annuity starting date and for which the applicable interest rate will remain constant; and for Plan Years beginning before July 1, 2008, the applicable interest rate is the annual rate of interest on 30-year Treasury securities as of the third month preceding the Plan Year containing the annuity starting date and for which the applicable interest rate will remain constant); or

(c) the rate specified in Appendix A.

**15.7 Multiple Plan Limit.** If a Member participates or has participated in this Plan and in one or more other tax-qualified defined-benefit plans maintained by the District or an Affiliated Employer, the benefit under this Plan and all such other plans will be reduced in proportion to the total benefits accrued under each such plan, but only to the extent necessary to comply on the limits on benefits in this Article 15. For purposes of this Section 15.7: (a) the termination of any plan is disregarded, and (b) the total benefits accrued under each plan for calculating the proportional reduction is determined without regard to the limitations of this Article 15.

**15.8 Definitions.** For purposes of this Article 15, the following definitions apply:

(a) "Affiliated Employer" means any government agency or other organization which is a member of a controlled group (as defined in section 414(b) of the Code, as modified by section 415(h)) of the Code which includes the District; any trade or business (whether or not incorporated) which is under common control (as defined in section 414(c) of the Code, as modified, except in the case of a brother-sister group of trades or businesses under common control, by section 415(h) of the Code) with the District; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in section 414(m) of the Code) which includes the District; and any other entity required to be aggregated with the District pursuant to regulations under section 414(o) of the Code.

(b) "Annual Benefit" means the sum of (1) the aggregate annual retirement benefit to which the Member is entitled under any other qualified defined benefit plans

maintained by the District or an Affiliated Employer; (2) the annual retirement benefit to which the Member is entitled under the Plan; (3) the aggregate annual retirement benefit that has been distributed to the Member under any other qualified defined benefit plans maintained by the District or an Affiliated Employer; and, (4) the aggregate annual retirement benefit that has been distributed to the Member under the Plan.

(c) “Applicable Interest Rate” means an interest rate equal to the greater of 5% or the rate (as determined by the date and type of retirement) specified in Appendix A.

(d) “Applicable Mortality Table” means, effective for distributions with annuity starting dates on or after December 31, 2002, the mortality table that is used for purposes of adjusting any benefit or limitation under section 415(b) of the Code and that is the relevant table prescribed by the Internal Revenue Service in Revenue Ruling 2001-62 until modified or superseded. Effective for distributions for annuity starting dates in Plan Years beginning on or after July 1, 2008, Applicable Mortality Table means the applicable mortality table, as defined under section 417(e)(3)(B) of the Code, as set forth in Revenue Ruling 2007-67 or subsequent guidance from the Internal Revenue Service, as in effect on the annuity starting date.

## ARTICLE 16

### MANDATORY DISTRIBUTION REQUIREMENTS

**16.1 Minimum Required Distributions.** Regardless of any Plan provision to the contrary, all distributions under the Plan will meet the requirements set forth in Appendix D relating to required minimum distributions.

**16.2 Eligible Rollover Distributions.** If payment under the Plan is ever permitted in a form which qualifies as an eligible rollover distribution, the distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of such eligible rollover distribution rolled directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this Section 16.2, the following terms have the following meanings:

(a) “direct rollover” means a payment by the Plan to the eligible retirement plan specified by the distributee.

(b) “distributee” means a Member, a Member’s surviving Spouse, or a Member’s Spouse or former Spouse who is the alternate payee under a domestic relations order which is treated as a qualified domestic relations order to the extent provided in section 414(p)(11) of the Code, and such other persons as come within the meaning of the term as used in section 401(a)(31)(A) of the Code. Effective for Plan Years beginning on or after July 1, 2010, a distributee also includes the Member’s non-Spouse Beneficiary. In the case of a non-Spouse Beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in section 408(a) or 408(b) of the Code (“IRA”) that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of section 402(c)(11) of the Code. Also, in this case, the determination of any required minimum distribution under section 401(a)(9) of the Code that is ineligible for rollover will be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395 (or its successor).

(c) “eligible rollover distribution” means a distribution from the Plan which constitutes an eligible rollover distribution within the meaning of section 401(a)(31)(D) of the Code, i.e., 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:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made (i) 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 (ii) for a specified period of ten years or more;

(2) any distribution to the extent such distribution is required under section 401(a)(9) of the Code; or

(3) the portion of any distribution that is not includible in gross income; provided, however, that this paragraph does not apply to the distribution if the plan to which the distribution is transferred:

(i) is an individual retirement account or annuity described in section 408(a) or (b) of the Code;

(ii) for taxable years beginning after December 31, 2001, and before January 1, 2007, is a qualified trust which is part of a defined contribution plan that agrees to separately account for the amounts so transferred, including separately accounting for the portion of the distribution which is includible in gross income and the portion of the distribution that is not so includible; or

(iii) for taxable years beginning on or after December 31, 2006, is a qualified trust or an annuity contract described in section 403(b) of the Code, if such trust or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(d) “eligible retirement plan” means a plan which constitutes an eligible retirement plan within the meaning of section 401(a)(31)(E) of the Code, including an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code that is a defined contribution plan, the terms of which permit the acceptance of rollover distributions. In the case of an eligible rollover distribution to a surviving spouse or a surviving former spouse, an eligible retirement plan means only an individual retirement account or individual retirement annuity. Effective for distributions after December 31, 2001, the definition of eligible retirement plan applies without regard to the preceding sentence in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code. Effective for distributions after December 31, 2001, the term “eligible retirement plan” also includes an annuity contract described in section 403(b) of the Code or an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective for distributions after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in section 408A of the Code.

## ARTICLE 17

### MISCELLANEOUS

**17.1 USERRA and HEART Compliance.** Regardless of any Plan provision to the contrary, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code. If a Member dies on or after January 1, 2007, while performing qualified military service (as defined in section 414(u) of the Code), the survivors of the Member are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Member resumed and then terminated employment on account of death.

**17.2 Overpayments.** If a Member or Beneficiary receives retirement benefit payments to which he or she is not entitled, such overpayments will be offset against future retirement benefit payments to which the Member or Beneficiary is entitled, or, at the discretion of the Retirement Board, the Member or Beneficiary may be required to refund any overpayment as a condition precedent to receive any future retirement benefits.

**17.3 Controlling Plan Provisions.** Any benefit that any person may be entitled to receive under the Plan will be determined under the Plan as in effect when the Member's service with the District terminates and will not be affected by any subsequent changes to the Plan. If a Member is subsequently reemployed as an Eligible Employee and (subject to applicable provisions of the Plan relating to crediting of service and vesting) accrues a benefit under the Plan for his or her post-reemployment service, that benefit will be determined in accordance with the Plan provisions in effect at the subsequent termination of the Member's service with the District.

**17.4 Incompetent Payee.** If any Member or Beneficiary becomes legally incompetent, incapacitated, or otherwise legally unable to properly handle any amounts payable under the Plan, the Retirement Board may, in its sole discretion, make any arrangement for payment of the person's benefit on behalf of the person that it determines is advisable with regard to payment of the person's benefit on his or her behalf, including (without limitation) payment to his or her guardian, conservator, Spouse, Domestic Partner or dependent, or other representative who the Retirement Board determines, in its sole discretion, is legally responsible for the person's financial affairs. In making this determination, however, the Retirement Board must consider any court order appointing a guardian, conservator or other legal representative of such person. Any such determination by the Retirement Board will be binding and conclusive on all parties, and any such payment will be in complete satisfaction of the Plan's liability to that person.

**17.5 No Employment or Service Rights.** Nothing in the Plan gives anyone any right to remain in the District's employ or service, or affects the District's right to terminate any person's employment or service with or without cause.

**17.6 Governing Law.** The provisions of the Plan will be construed, administered and enforced in accordance with applicable laws of the State of California to the extent not preempted by applicable federal law, and in a manner consistent with the intention that the Plan qualify for favorable tax treatment under section 401(a) of the Code.

**17.7 Beneficiary Designation.** Each Member may designate in writing, before receiving benefit payments under the Plan, the person or persons who will be his or her

Beneficiary under the Plan. The designation must be made at the time and in the manner determined by the Retirement Board.

**ARTICLE 18**

**EXECUTION**

IN WITNESS WHEREOF, the District has caused this Plan to be executed on this \_\_\_\_ day of \_\_\_\_\_, 2012.

**SACRAMENTO REGIONAL TRANSIT DISTRICT**

By: \_\_\_\_\_

Its: General Manager/CEO

Consented to this \_\_\_\_ day of \_\_\_\_\_, 2012:

**AMALGAMATED TRANSIT UNION, LOCAL 256**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A**  
**ACTUARIAL EQUIVALENCE**

Assumptions for Calculation of Optional Forms of Benefit

Service Retirement:

Interest Rate:	6%
Member Mortality:	1983 Group Annuity Table
Beneficiary Mortality:	1983 Group Annuity Table, set back 6 years

Disability Retirement:

Interest Rate:	6%
Member Mortality:	OASDI 1976 Disability Termination Table for Males, set back 4 years
Beneficiary Mortality:	1983 Group Annuity Table, set back 6 years



**APPENDIX B**  
**RETIREMENT ALLOWANCE AS IN EFFECT ON FEBRUARY 28, 1993**

Only the alternative Retirement Allowance in Section 7.2(a) is computed in accordance with this Appendix B based upon the Member's age and Years of Service as of June 14, 1993, and all provisions of the Plan as in effect on February 28, 1993. All terms used in this Appendix B will have the same meanings given such terms by the Plan as in effect on February 28, 1993.

For retirement at age 62, the monthly service retirement allowance shall equal one-sixtieth (1/60) of the member's final monthly compensation multiplied by the total number of years of prior service plus current service. For retirement at ages other than 62, the allowance will be adjusted in accordance with the following table by applying the appropriate percentages to the final compensation of the member based upon his years of service and age at retirement. For ages and periods of service differing from those shown on the table, the applicable percentages shall be interpolated, based upon the preceding completed quarter year of service and the preceding completed quarter year of age. For ages beyond age 70, the applicable percentage shall be determined on the basis of the same actuarial assumptions used to obtain the percentages shown on the table. In addition, members shall be credited with unused sick leave on the basis of one hour representing one/two thousandths (1/2000) of a year.

**SERVICE RETIREMENT ALLOWANCE AS A PERCENTAGE  
OF FINAL COMPENSATION**  
Age at Retirement

Yrs Serv.	<u>55</u>	<u>56</u>	<u>57</u>	<u>58</u>	<u>59</u>	<u>60</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>	<u>65</u>	<u>66</u>	<u>67</u>	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>72</u>	<u>73</u>	<u>74</u>	<u>75</u>
10	10.2	11.0	12.6	12.6	13.5	14.4	15.5	16.7	17.8	18.9	20.1	22.3	24.8	27.7	31.1	35.1	39.8	45.3	51.8	59.7	69.2
11	11.2	12.1	12.9	13.8	14.8	15.9	17.1	18.3	19.5	20.8	22.2	24.6	27.4	30.6	34.4	38.7	43.8	49.9	57.2	65.8	76.3
12	12.3	13.2	14.1	15.1	16.2	17.3	18.6	20.0	21.3	22.7	24.2	26.8	29.9	33.4	37.5	42.2	47.8	54.4	62.3	71.8	83.2
13	13.3	14.3	15.3	16.3	17.5	18.6	20.2	21.7	23.1	24.6	26.2	29.1	32.3	36.1	40.6	45.7	51.8	58.9	67.5	77.7	90.1
14	14.4	15.4	16.5	17.6	18.9	20.2	21.7	23.3	24.9	26.5	28.2	31.3	34.8	38.9	43.6	49.2	55.7	63.5	72.7	83.7	97.0
15	15.4	16.5	17.6	18.9	20.2	21.7	23.3	25.0	26.7	28.4	30.2	33.5	37.3	41.7	46.7	52.7	59.7	68.0	77.8	89.7	104.0
16	16.4	17.6	18.8	20.1	21.5	23.1	24.8	26.7	29.4	30.3	32.2	35.7	39.7	44.4	49.8	56.2	63.7	72.5	83.0	95.6	110.9
17	17.5	18.7	20.0	21.4	22.9	24.5	26.4	28.3	30.2	32.2	34.3	38.0	42.3	47.3	53.1	59.8	67.7	77.1	88.3	101.7	118.0
18	18.5	19.8	21.2	22.6	24.2	26.0	27.9	30.0	32.0	34.1	36.3	40.3	44.8	50.1	56.2	63.3	71.7	81.6	93.5	107.7	124.9
19	19.6	20.9	22.3	23.9	25.6	27.4	29.5	31.7	33.8	36.0	38.3	42.5	47.3	52.8	59.3	66.8	75.7	86.2	98.7	113.6	131.8
20	20.6	22.0	23.5	25.2	26.9	28.9	31.0	33.3	35.5	37.9	40.3	44.7	49.7	55.6	62.4	70.3	79.6	90.7	103.8	119.6	138.7
21	21.6	23.1	24.7	26.4	28.3	30.3	32.6	35.0	37.3	39.7	42.3	46.9	52.2	58.3	65.5	73.8	83.6	95.2	109.0	125.6	145.6
22	22.7	24.2	25.9	27.7	29.6	31.8	34.1	36.7	39.1	41.6	44.3	49.1	54.7	61.1	68.6	77.3	87.6	99.7	114.2	131.5	152.5
23	23.7	25.3	27.0	28.9	31.0	33.2	35.7	38.3	40.9	43.5	46.3	51.3	57.1	63.9	71.7	80.8	91.5	104.2	119.3	137.5	159.4
24	24.8	26.4	28.2	30.2	32.3	34.6	37.2	40.0	42.6	45.4	48.4	53.7	59.7	66.8	74.9	84.4	95.6	108.9	124.6	143.6	166.5
25	25.8	27.5	29.4	31.4	33.7	36.1	38.8	41.7	44.4	47.3	50.4	55.9	62.2	69.5	78.0	87.9	99.6	113.4	129.8	149.5	173.4
26	26.9	28.6	30.6	32.7	35.0	37.5	40.3	43.3	46.2	49.2	52.4	58.1	64.7	72.1	81.1	91.4	103.5	117.9	135.0	155.5	180.3
27	27.9	29.7	31.7	34.0	36.4	39.0	41.9	45.0	48.0	51.1	54.4	60.3	67.1	75.0	84.2	94.9	107.5	122.4	140.2	161.5	187.2
28	29.0	30.9	32.9	35.2	37.7	40.4	43.4	46.7	49.8	53.0	56.4	62.5	69.6	77.8	87.3	98.4	111.5	126.9	145.3	167.4	194.1
29	30.0	32.0	34.1	36.5	39.1	41.9	45.0	48.3	51.5	54.9	58.4	64.8	72.1	80.6	90.4	101.9	115.4	131.4	150.5	173.4	201.0
30	31.1	33.1	35.3	37.7	40.4	43.3	46.5	50.0	53.3	56.8	60.4	67.0	74.6	83.3	93.5	105.4	119.4	135.9	155.7	179.3	207.9
31	32.1	34.2	36.5	39.0	41.7	44.8	48.1	51.7	55.1	58.7	62.5	69.3	77.1	86.2	96.7	109.0	123.5	140.6	161.0	185.4	215.0
32	33.2	35.3	37.6	40.2	43.1	46.2	49.6	53.3	56.9	60.6	64.5	71.5	79.6	89.0	99.8	112.5	127.4	145.1	166.1	191.4	221.9
33	34.3	36.5	38.8	41.5	44.4	47.6	51.2	55.0	58.6	62.5	66.5	73.7	82.1	91.7	102.9	116.0	131.4	149.6	171.3	197.3	228.8
34	35.4	37.6	40.0	42.8	45.8	49.1	52.7	56.7	60.4	64.4	68.5	76.0	84.6	94.5	106.0	119.5	135.4	154.1	176.5	203.3	235.7
35	36.5	38.7	41.2	44.0	47.1	50.5	54.3	58.3	62.2	66.2	70.5	78.2	87.0	97.2	109.1	123.0	139.3	158.6	181.7	209.3	242.6
36	37.3	39.7	42.4	45.2	48.5	52.0	55.8	60.0	64.0	68.2	72.5	80.4	89.5	100.0	112.2	126.5	143.3	163.2	186.8	215.2	249.5
37	38.4	40.8	43.5	46.5	49.8	53.4	57.4	61.7	65.7	70.1	74.5	82.6	92.0	102.7	115.3	130.0	147.3	167.7	192.0	221.2	256.4
38	39.4	41.9	44.7	47.8	51.2	54.8	58.9	63.3	67.5	71.9	76.5	84.9	94.5	105.5	118.4	133.5	151.2	172.2	197.2	227.1	263.3
39	40.4	43.0	45.9	49.0	52.5	56.3	60.5	65.0	69.3	73.8	78.5	87.1	97.0	108.3	121.6	137.0	155.2	176.7	202.3	233.1	270.2
40	41.5	44.1	47.1	50.3	53.9	57.7	62.0	66.7	71.1	75.7	80.5	89.3	99.5	111.1	124.7	140.5	159.2	181.2	207.6	239.1	277.2
41	42.5	45.2	48.2	51.5	55.2	59.2	63.6	68.3	72.8	77.6	82.5	91.6	102.0	113.8	127.8	144.0	163.2	185.7	212.8	245.0	284.1
42	43.5	46.3	49.4	52.8	56.6	60.6	65.1	70.0	74.6	79.5	84.6	93.8	104.4	116.6	130.9	147.6	167.2	190.3	218.0	251.1	291.1
43	44.6	47.4	50.6	54.0	57.9	62.1	66.7	71.7	76.4	81.4	86.6	96.0	106.9	119.4	134.0	151.1	171.1	194.8	223.2	257.1	298.0
44	45.6	48.5	51.8	55.3	59.3	63.5	68.2	73.3	78.2	83.3	88.6	98.3	109.4	122.2	137.1	154.6	175.1	199.3	228.4	263.0	304.9
45	46.7	49.7	53.0	56.6	60.6	65.0	69.8	75.0	80.0	85.2	90.6	100.5	111.9	125.0	140.3	158.1	179.1	203.9	233.6	269.0	311.9

**SERVICE RETIREMENT ALLOWANCE AS A PERCENTAGE  
OF FINAL COMPENSATION**

Age at Retirement

<b>Yrs Serv.</b>	<b><u>40</u></b>	<b><u>41</u></b>	<b><u>42</u></b>	<b><u>43</u></b>	<b><u>44</u></b>	<b><u>45</u></b>	<b><u>46</u></b>	<b><u>47</u></b>	<b><u>48</u></b>	<b><u>49</u></b>	<b><u>50</u></b>	<b><u>51</u></b>	<b><u>52</u></b>	<b><u>53</u></b>	<b><u>54</u></b>
25	9.2	9.9	10.5	11.2	12.0	12.8	13.6	14.6	15.6	16.7	17.9	19.2	20.7	22.2	23.9
26	9.6	10.3	10.9	11.7	12.5	13.3	14.2	15.2	16.3	17.4	18.7	20.1	21.5	23.2	25.0
27	10.0	10.7	11.4	12.1	12.9	13.8	14.7	15.8	16.9	18.1	19.4	20.8	22.4	24.0	25.9
28	10.4	11.1	11.8	12.6	13.4	14.3	15.3	16.4	17.5	18.8	20.2	21.6	23.2	25.0	26.9
29	10.8	11.5	12.2	13.0	13.9	14.8	15.9	17.0	18.2	19.4	20.8	22.4	24.0	25.8	27.8
30	11.1	11.9	12.7	13.5	14.4	15.4	16.4	17.6	18.8	20.2	21.6	23.2	24.9	26.8	28.8
31	11.5	12.3	13.1	13.9	14.9	15.9	17.0	18.1	19.4	20.8	22.3	23.9	25.7	27.7	29.8
32	11.9	12.7	13.5	14.4	15.4	16.4	17.6	18.8	20.1	21.5	23.1	24.8	26.6	28.6	30.8
33	12.3	13.1	14.0	14.9	15.9	17.0	18.1	19.4	20.8	22.2	23.8	25.6	27.5	29.6	31.8
34	12.7	13.5	14.4	15.4	16.4	17.5	18.7	20.0	21.4	22.9	24.6	26.4	28.4	30.5	32.8
35	13.1	13.9	14.9	15.8	16.9	18.1	19.3	20.6	22.1	23.7	25.4	27.2	29.2	31.4	33.9
36	13.3	14.3	15.2	16.2	17.3	18.5	19.7	21.1	22.6	24.2	25.9	27.8	29.9	32.2	34.6
37	13.7	14.7	15.7	16.7	17.8	19.0	20.2	21.7	23.2	24.9	26.6	28.6	30.7	33.1	35.5
38	14.1	15.1	16.1	17.1	18.2	19.5	20.8	22.3	23.8	25.6	27.4	29.4	31.5	33.9	36.5
39	14.4	15.5	16.5	17.6	18.7	20.0	21.3	22.9	24.4	26.3	28.1	30.2	32.4	34.8	37.4
40	14.8	15.9	16.9	18.0	19.2	20.5	21.9	23.5	25.1	26.9	28.8	30.9	33.2	35.7	38.4
41											29.5	31.7	34.0	36.6	39.4
42											30.2	32.5	34.9	37.5	40.3
43											31.0	33.3	35.7	38.4	41.3
44											31.7	34.0	36.5	39.3	42.2
45											32.4	34.8	37.4	40.2	43.2

## APPENDIX C

### AGREEMENT REGARDING RETIREMENT PLAN RECIPROCITY

This Agreement is entered into on this 28th day of June 1999, by and between the **SACRAMENTO REGIONAL TRANSIT DISTRICT**, the **NON-CONTRACT EMPLOYEE COMMITTEE**, Local Division 256 of the **AMALGAMATED TRANSIT UNION, AFL-CIO**, and **LOCAL 1245 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO**.

#### 1. MUTUAL RECIPROCITY PROVISION

The title and text of Paragraph 2 below entitled "Service Reciprocity" is hereby incorporated by this reference into the District retirement plans as if set out in full therein. District retirement plans means the plans referred to in paragraph 2f. below.

#### 2. SERVICE RECIPROCITY

a. This reciprocity provision is applicable only to those members who have current service credited under this Plan on or after July 1, 1999.

b. Notwithstanding anything to the contrary in this Plan pertaining to vesting, for the purpose of determining a member's vesting, all service credited to a member under any other District retirement plan will be added to Credited Service under this Plan, except as follows: Any service performed by a member prior to a separation from employment with the District will not be added (for vesting or any other purpose) to service credited to that member under this Plan after such separation unless such separation was requested in advance by the employee and approved by District as provided in the paragraph related to break in employment under the Section of the Plan entitled "Service." [Section 2e ATU/IBEW plans; Section 3E Salaried plan]

c. The retirement allowance of a vested member of this Plan will be calculated based only upon service credited to that member pursuant to the Section of the Plan entitled "Service."

d. Notwithstanding anything to the contrary in the Section of the Plan entitled "Definitions," for the purpose of determining the member's final compensation a member must elect a consecutive monthly period of service for the duration required by this Plan. For this purpose, a member's final compensation may be based upon any consecutive monthly period of service in any District retirement plan(s) that may be used for vesting in this Plan as described in paragraph b above.

e. For the purpose of this reciprocity provision, a member who is retired for disability under any other District retirement plan in which the member has a vested benefit will be deemed to be disabled within the meaning of this Plan.

f. For the purpose of this reciprocity provision, "District retirement plans" means the:

1. Retirement Plan for District Employees Who Are Members of ATU Local 256, effective as of April 1, 1974, as amended.

2. Retirement Plan for District Employees Who Are Members of I.B.E.W. Local 1245, effective as of September 16, 1974, as amended.
3. Retirement Plan for Salaried Employees of Sacramento Regional Transit District, restated effective August 1, 1996, as amended.

**3. AMENDMENT**

This Agreement will remain in effect in accordance with the terms hereof until amended by the parties hereto.

In Witness Whereof, the parties have entered into this agreement as of the date first hereinabove appearing.

**NON- CONTRACT EMPLOYEE COMMITTEE**

**SACRAMENTO REGIONAL TRANSIT DISTRICT**

By: /s/ Jim Warriner

JIM WARRINER

Chairman

By: /s/ Pilka Robinson

PILKA ROBINSON

General Manager

By: /s/ Jacquelyn Johnson

JACQUELYN JOHNSON

Committee Person

APPROVED AS TO CONTENT:

By: /s/ Michael R. Wiley

MICHAEL R. WILEY

Director of Administrative Services

By: /s/ Robert Ruiz

ROBERT RUIZ

Committee Person

APPROVED AS TO LEGAL FORM:

By: /s/ Dennis Jones

DENNIS JONES

Committee Person

By: /s/ Mark W. Gilbert

MARK W. GILBERT

Chief Legal Counsel

**LOCAL 256 of the AMALGAMATED TRANSIT  
UNION, AFL-CIO**

**LOCAL 1245 of the INTERNATIONAL  
BROTHERHOOD OF ELECTRICAL  
WORKERS, AFL-CIO**

By: /s/ Donald D. Delis

DONALD D. DELIS

President

By: /s/ Jack McNally

JACK McNALLY

Business Manager

By: /s/ Linda Oliveri

LINDA OLIVERI

Vice-President

By: /s/ Clyde Beckham

Clyde Beckham

Financial Secretary

By: /s/ Joe Rovito

Joe Rovito

Recording Secretary

## APPENDIX D

### MINIMUM DISTRIBUTION REQUIREMENTS

The following rules apply for purposes of the Internal Revenue Code. They do not affect the form or total amount of any retirement benefit under the Plan.

#### **D.1 General Rules.**

**D.1.1 Effective Date.** Notwithstanding any other provision of the Plan to the contrary, the provisions of this Appendix apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

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

**D.1.3 Requirements of Treasury Regulations Incorporated.** All distributions required under this Appendix must be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Code.

**D.1.4 TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Appendix, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of TEFRA and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

#### **D.2 Time and Manner of Distribution.**

**D.2.1 Required Beginning Date.** The Member's entire interest must be distributed, or begin to be distributed, to the Member no later than the Member's Required Beginning Date.

**D.2.2 Death of Member Before Distributions Begin.** If the Member dies before distributions begin, the Member's entire interest must be distributed, or begin to be distributed, no later than as follows:

(a) If the Member's surviving Spouse is the Member's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.

(b) If the Member's surviving Spouse is not the Member's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(c) If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(d) If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse begin, this Section D.2, other than Section D.2.2(a), must apply as if the surviving Spouse were the Member.

For purposes of this Section D.2 and Section D.5, distributions are considered to begin on the Member's Required Beginning Date (or, if Section D.2.2(d) applies, the date distributions are required to begin to the surviving Spouse under Section D.2.2(a)). If annuity payments irrevocably commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section D.2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

**D.2.3 Form of Distribution.** Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company, as of the first Distribution Calendar Year distributions must be made in accordance with Sections D.3, D.4 and D.5 of this Appendix D. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder must be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in section 414(k) of the Code must be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

### **D.3 Determination of Amount to be Distributed Each Year.**

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

- (a) The annuity distributions must be paid in periodic payments made at intervals not longer than one year.
- (b) The distribution period must be over a life (or lives) or over a period certain not longer than the period described in Section D.4 or D.5 of this Appendix D.
- (c) Once payments have begun over a period certain, the period certain must not be changed even if the period certain is shorter than the maximum permitted.
- (d) Payments must either be non-increasing or increase only as follows:
  - (1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
  - (2) to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section D.4 dies or is no longer the Member's Beneficiary pursuant to a qualified domestic relations order;
  - (3) to provide cash refunds of Employee contributions upon the Member's death; or



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

**D.3.2 Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Member's Required Beginning Date (or, if the Member dies before distributions begin, the date distributions are required to begin under Section D.2.2(a) or (b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year must be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date.

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

**D.4 Requirements for Annuity Distributions That Commence During Member's Lifetime.**

**D.4.1 Joint Life Annuities Where the Beneficiary Is Not the Member's Spouse.** If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-spouse Designated Beneficiary, annuity payments to be made on or after the Member's Required Beginning Date to the Designated Beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2(c) of section 1.401(a)(9)-6 of the Treasury regulations; provided, however, that if the Member's annuity starting date precedes the year in which the Member attains age 70, the Member's and nonspouse Designated Beneficiary's age difference must be adjusted as set forth in Q&A-2(c) in order to determine the applicable percentage as provided in the table set forth in Q&A-2(c). If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a non-spouse Designated Beneficiary and a period certain annuity, the requirement in the preceding sentence applies to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

**D.4.2 Period Certain Annuities.** Unless the Member's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's Spouse is the Member's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this Section D.4.2, or the joint life and last survivor expectancy of the Member and the Member's Spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9

of the Treasury regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the calendar year that contains the annuity starting date.

#### **D.5 Requirements for Minimum Distributions Where Member Dies Before Date Distributions Begin.**

**D.5.1 Member Survived by Designated Beneficiary.** If the Member dies before the date distribution of his or her interest begins and there is a Designated Beneficiary, the Member's entire interest must be distributed, beginning no later than the time described in Section D.2.2(a) or (b), over the life expectancy of the Designated Beneficiary or over a period certain not exceeding:

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

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

**D.5.2 No Designated Beneficiary.** If the Member dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

**D.5.3 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Member dies before the date distribution of his or her interest begins, the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section D.5 will apply as if the surviving Spouse were the Member, except that the time by which distributions must begin is determined without regard to Section D.2.2(a).

#### **D.6 Definitions.**

The following words and phrases used in this Appendix D have the following meanings.

**D.6.1 "Designated Beneficiary."** The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-1, Q&A-4 of the Treasury regulations.

**D.6.2 "Distribution Calendar Year."** A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section D.2.2 of this Appendix D.

**D.6.3 "Life Expectancy."** Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

**D.6.4 “Required Beginning Date.”** April 1 of the calendar year following the later of (i) the calendar year in which a Member attains age 70 1/2, or (ii) the calendar year in which a Member terminates employment with the District.

**D.6.5 Other Capitalized Terms.** All other capitalized terms used in this Appendix D have the meanings set forth in Article 2, unless the context requires otherwise.