

ORIGINAL

**MODESTO IRRIGATION DISTRICT RETIREMENT
SYSTEM BASIC RETIREMENT PLAN**

Amended And Restated Effective As Of January 1, 2022

**MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM
BASIC RETIREMENT PLAN**

Table Of Contents

	<u>Page</u>
INTRODUCTION	1
ARTICLE 1. DEFINITIONS.....	2
1.01. Accumulated Required Contributions.	2
1.02. Actuarial Equivalent.....	2
1.03. Actuary.	2
1.04. Alternative Death Benefit.	3
1.05. Average Monthly Compensation.....	3
1.06. Beneficiary.....	3
1.07. Board Of Directors.....	3
1.08. Break-In-Service.....	3
1.09. Code.....	3
1.10. Committee.....	4
1.11. Compensation.	4
1.12. Credited Service.....	6
1.13. Deferred Vested Benefits.....	6
1.14. Delayed Retirement.....	6
1.15. Delayed Retirement Benefit.....	6
1.16. Delayed Retirement Date.	6
1.17. Designated Beneficiary.....	6
1.18. Director.....	6
1.19. Disability Retirement Benefit.....	6
1.20. Distribution Calendar Year.....	6
1.21. District.....	7
1.22. Early Retirement.....	7
1.23. Early Retirement Benefit.....	7
1.24. Early Retirement Date.	7
1.25. Eligible Employee.....	7
1.26. Eligible Retirement Plan.	8
1.27. Eligible Rollover Distribution.....	9
1.28. Employee.....	10
1.29. Employment Commencement Date.....	10
1.30. Final Compensation.....	10
1.31. Hour Of Service.....	10
1.32. Leased Employee.....	10
1.33. Leave Of Absence.....	11
1.34. Normal Cost.....	11
1.35. Normal Cost Rate.....	12
1.36. Normal Retirement.....	12

1.37.	Normal Retirement Age.	12
1.38.	Normal Retirement Benefit.	12
1.39.	Normal Retirement Date.	12
1.40.	Participant.	12
1.41.	PEPRA.	12
1.42.	Pensionable Compensation.	13
1.43.	Period Of Service.	15
1.44.	Plan.	16
1.45.	Plan Administrator.	16
1.46.	Plan Year.	16
1.47.	Qualified Domestic Relations Order.	16
1.48.	Qualifying Participant.	16
1.49.	Retirement Benefit.	16
1.50.	Retirement Benefit For A Tier III Participant.	17
1.51.	Tier I Eligible Employee.	17
1.52.	Tier II Eligible Employee.	17
1.53.	Tier III Eligible Employee.	17
1.54.	Total Disability Or Totally Disabled.	18
1.55.	Trust.	18
1.56.	Trustee.	18
1.57.	USERRA.	19
1.58.	Year Of Credited Service.	19
1.59.	Year Of Service.	19
ARTICLE 2.	PARTICIPATION AND SERVICE CREDITING	19
2.01.	When Participation Begins.	19
2.02.	When Participation Stops.	19
2.03.	Participation After Reemployment.	20
2.04.	Veterans' Rights.	20
2.05.	Break-In-Service Definition.	20
2.06.	Credited Service Definition.	21
2.07.	Hour Of Service Definition.	22
2.08.	Period Of Service Definition.	22
2.09.	Year Of Credited Service Definition.	23
2.10.	Year Of Service Definition.	23
2.11.	Service Credit While Disabled.	23
ARTICLE 3.	CONTRIBUTIONS TO THE PLAN.	23
3.01.	District Contributions.	23
3.02.	District PEPRA Contributions.	24
3.03.	Funds Not Recoverable By The District – Exceptions.	25
3.04.	Use Of Forfeitures.	26
3.05.	Tier III Participant PEPRA Contributions.	26
ARTICLE 4.	RETIREMENT BENEFITS IN GENERAL	27
4.01.	Retirement Benefits.	27
4.02.	Retirement Benefit For Tier III Participants.	28
4.03.	Optional Forms Of Benefits Available.	31

4.04.	Cost-Of-Living Increases.	33
4.05.	Election And Commencement Of Retirement Benefits.	34
4.06.	Time For Payment Of Benefits.	35
4.07.	Cash-Out Of Small Benefits.....	35
4.08.	No Duplication Of Benefits.....	35
4.09.	Effect Of Reemployment On Benefits.....	36
4.10.	Benefits Must Commence Based On Age.	39
4.11.	Eligible Rollover Distributions.	39
4.12.	Required Minimum Distributions.....	40
4.13.	Limitations On Benefits.....	45
4.14.	Payment Of Benefits For Certain Retired Participants.....	46
4.15.	Termination Before Vesting.	46
4.16.	Benefits If District Suspends Contributions.....	46
ARTICLE 5.	NORMAL AND DELAYED RETIREMENT BENEFITS	46
5.01.	Normal Retirement Benefit.	46
5.02.	Delayed Retirement Benefit.....	47
ARTICLE 6.	EARLY RETIREMENT BENEFITS	48
6.01.	Eligibility For Early Retirement.....	48
6.02.	Calculation Of Early Retirement Benefit.	49
ARTICLE 7.	DEFERRED VESTED BENEFITS	49
7.01.	Vested Termination.....	49
7.02.	Calculation Of Deferred Vested Benefit.	50
7.03.	Benefits If Required Contributions Are Withdrawn.....	52
ARTICLE 8.	DISABILITY RETIREMENT BENEFITS.....	52
8.01.	Disability Retirement.....	52
8.02.	Calculation Of Disability Retirement Benefit.	53
8.03.	Recovery Of Disabled Participants.	54
ARTICLE 9.	DEATH BENEFITS	54
9.01.	Death Before Completing Required Service.	54
9.02.	Death Before Benefits Commence.	54
9.03.	Death After Benefits Commence.	58
9.04.	Alternative Death Benefit Election.	59
9.05.	Designation Of Beneficiary.	59
9.06.	Minimum Death Benefit.	61
9.07.	Required Minimum Distributions Of Death Benefits.....	61
ARTICLE 10.	ADMINISTRATION OF THE PLAN.....	63
10.01.	Plan Administration.....	63
10.02.	General Administration Of The Plan.	63
10.03.	Powers Of The Committee.	65
10.04.	Procedure For Review And Denial Of Benefits.....	67
10.05.	Facility Of Payment.....	67
10.06.	Information To Be Given To Participants.....	67
10.07.	Compensation And Expenses Of The Committee.	68
10.08.	Recovery Of Overpayment Of Benefits.....	68
10.09.	Employee Plans Compliance Resolution System.....	69

ARTICLE 11.	RETIREMENT BENEFITS AND RIGHTS INALIENABLE	69
11.01.	Prohibition Against Assignment Or Other Alienation.....	69
11.02.	Payments Under A Qualified Domestic Relations Order.....	69
11.03.	Felony Convictions And Forfeitures.	70
ARTICLE 12.	AMENDMENT AND TERMINATION	71
12.01.	Amendment.	71
12.02.	Enhancements Applicable Only To Future Service.	72
12.03.	Termination Or Partial Termination.....	72
ARTICLE 13.	MISCELLANEOUS	73
13.01.	Rights And Remedies Limited.	73
13.02.	No Employment Rights Created.	73
13.03.	Merger; Transfer Of Assets.	73
13.04.	Unenforceable Provisions.....	74
13.05.	Applicable Law And Construction.	74
13.06.	Headings.	74
13.07.	Gender And Number.....	74
13.08.	Amendment Of Laws.	74
13.09.	Severability.	74
13.10.	Waiver.	75
13.11.	Entire Document.....	75

MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM
BASIC RETIREMENT PLAN

INTRODUCTION

1. Modesto Irrigation District (District) originally established the Basic Retirement Plan for Employees of the Modesto Irrigation District (Plan) effective as of March 1, 1951, and the Plan has been amended and restated from time to time thereafter.
2. The purpose of the Plan is to provide Participants with retirement and disability benefits and to provide their Beneficiaries with death benefits.
3. Effective as of January 1, 2004, the name of the Plan was changed to "Modesto Irrigation District Retirement System Basic Retirement Plan," and the Plan was made a part of the Modesto Irrigation District Retirement System. The Retirement System is intended to be a retirement system within the meaning of Article 16, Section 17 of the California Constitution. For purposes of the Internal Revenue Code (Code) and the California Revenue and Taxation Code, the Plan shall continue to constitute a separate plan, and none of the assets of any plan which is a part of the Retirement System shall be used for the benefit of any other plan, and none of the liabilities of any such plan shall be considered a liability of any other such plan.
4. Effective as of January 1, 2022, the Plan has been amended and restated to read as set forth herein. The provisions of the Plan as set forth herein shall be applicable to Plan Years beginning after December 31, 2021, except to the extent that an earlier effective date is required pursuant to statute or Treasury regulation. The District has also made additional changes that it has determined are necessary or desirable.
5. Except as otherwise indicated, the provisions of this amended and restated Plan shall apply only to individuals who are Employees on or after January 1, 2022. The benefits payable under the Plan to (or with respect to) any individual who ceased to be an Employee prior to January 1, 2022, and the rights and obligations of any such individual with respect to such benefits, shall be determined under the terms of the Plan as in effect on (or as of) the date such individual ceased to be an Employee.
6. The Plan and the Trust established under the Plan are intended to qualify as a "pension plan" under Code section 401 and related provisions of the Code. The Plan is a "governmental plan" as defined in Code

section 414(d) and section 3(32) of the Employee Retirement Income Security Act, as amended (ERISA).

7. The Plan and the Trust are created and maintained for the exclusive benefit of the Participants and their Beneficiaries.

ARTICLE 1. DEFINITIONS

1.01. Accumulated Required Contributions.

"Accumulated Required Contributions" shall mean, with respect to any Participant, the total amount of the Participant's contributions to the Plan that are required under the Tier III Participant Contributions section plus interest compounded annually thereon at a rate determined by the Committee or its designee reduced by the amounts of such contributions and interest that have been distributed from the Plan.

1.02. Actuarial Equivalent.

"Actuarial Equivalent" shall mean an amount of equivalent value when computed using the following:

- A. Base mortality table: Pub-2010G (General) Amount-Weighted Mortality for Healthy Retirees;
- B. Projection: projected generationally using Scale MP-2020 with an "as-of" date of 2024;
- C. Interest rate: 6.90%;
- D. The factors are blended based on a 75% male / 25% female ratio for the Participants and a 25% male / 75% female ratio for the Beneficiaries; and
- E. Where applicable pursuant to the Cost-Of-Living Increases section, a percent per annum selected by the Committee or its designee to reflect cost-of-living increases.

1.03. Actuary.

"Actuary" shall mean the "enrolled actuary," within the meaning of the Employee Retirement Income Security Act of 1974, as amended (ERISA), engaged by the Committee or its designee on behalf of the Plan.

1.04. Alternative Death Benefit.

"Alternative Death Benefit" shall mean the death benefit payable under the Death Before Benefits Commence section based on the post-death benefit portion of a Retirement Benefit option that would have been available under the Optional Forms Of Benefits Available section to the Participant, based upon the Participant's status at the time of the Participant's death, that the Participant had elected by filing such an election with the Committee or its designee prior to the Participant's death.

1.05. Average Monthly Compensation.

"Average Monthly Compensation" shall mean, with respect to any Participant who is a Tier I Eligible Employee or a Tier II Eligible Employee, the monthly average of the Participant's Compensation over the 36 consecutive months of Credited Service out of the Participant's last 120 months of Credited Service during which such average is the greatest. For any Participant who does not receive Compensation during at least 36 consecutive months of Credited Service during the Participant's last 120 months of Credited Service, "Average Monthly Compensation" shall mean the monthly average of the actual Compensation received by the Participant during the Participant's last 120 months of Credited Service.

1.06. Beneficiary.

"Beneficiary" shall mean the person or persons, including a trustee, personal representative or other fiduciary, determined in accordance with the Designation Of Beneficiary section to receive the benefits specified herein in the event of the Participant's death. With respect to certain survivor benefits described in the Optional Forms Of Benefit Available section, a Participant's surviving spouse shall be the Beneficiary.

1.07. Board Of Directors.

"Board Of Directors" shall mean the Board Of Directors of the District.

1.08. Break-In-Service.

"Break-In-Service" shall be determined under the Participation And Service Crediting article.

1.09. Code.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

1.10. Committee.

"Committee" shall mean the Retirement Committee appointed by the Board Of Directors to administer the Plan in accordance with the General Administration Of The Plan section.

1.11. Compensation.

A. "Compensation" shall mean, with respect to any Participant who is a Tier I Eligible Employee, the sum of the following amounts:

1. The Employee's wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment by the District, but excluding the following:
 - a. Contributions to this Plan and any other plan of deferred compensation, to the extent deductible or not includable in gross income by the Employee (including contributions to a simplified employee pension plan);
 - b. Distributions from any plan of deferred compensation, other than an unfunded plan that is not qualified under Code section 401;
 - c. Amounts realized on the vesting of restricted property;
 - d. All other amounts that receive special tax benefits under the Code; and
 - f. Amounts or payments received for cash out or voluntary sale of accrued benefits, including vacation, compensatory time and sick leave, and payments received in lieu of participation in any group medical insurance program.
2. The amount of the Employee's "regular contributions" to the District's Supplemental Retirement Plan;
3. The amount of any compensation deferred by the Employee under the District's Deferred Compensation Plan;

4. The amount of any contributions by the District to a "cafeteria plan" governed by Code section 125, or a plan governed by Code section 401(k) or 132(f)(4), that are made at the Employee's election; and
 5. During any period an Employee is also serving as a Director, the gross amount of direct compensation the Employee is entitled to receive from the District for service as a Director, without regard to whether the Employee actually receives the entire amount in cash (for example, because the Employee contributes a portion of such compensation to the District's Supplemental Retirement Plan).
- B. "Compensation" shall mean, with respect to any Participant who is a Tier II Eligible Employee, base salary only (excluding, without limitation, overtime pay, vacation payout and items of compensation excluded under paragraph 1 of subsection A, above).
- C. "Compensation" shall include differential wage payments, as defined in Code section 3401(h)(2), to Participants on active duty to the extent required by the provisions of Code section 414(u)(12)(A)(ii), the Treasury regulations promulgated thereunder, and any subsequent guidance issued thereunder.
- D. In no event shall the amount of any Employee's Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year). For purposes of the limitation set forth in the preceding sentence for Plan Years beginning before 1997, the family attribution rules of Code section 414(q)(6) shall apply, except that, in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the relevant Plan Year.

1.12. Credited Service.

"Credited Service" shall be determined under the Participation And Service Crediting" article.

1.13. Deferred Vested Benefits.

"Deferred Vested Benefit" shall mean the benefit payable under the Deferred Vested Benefits" article.

1.14. Delayed Retirement.

"Delayed Retirement" shall mean ceasing to be an Employee after the Participant's Normal Retirement Date.

1.15. Delayed Retirement Benefit.

"Delayed Retirement Benefit" shall mean the benefit payable under the Delayed Retirement section.

1.16. Delayed Retirement Date.

"Delayed Retirement Date" shall mean the first day of the month next following Delayed Retirement.

1.17. Designated Beneficiary.

"Designated Beneficiary" means the individual who is designated as the Participant's Beneficiary and is the designated beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-1.

1.18. Director.

"Director" shall mean a member of the Board Of Directors.

1.19. Disability Retirement Benefit.

"Disability Retirement Benefit" shall mean the benefit payable under the Disability Retirement section.

1.20. Distribution Calendar Year.

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required under Code section 401(a)(9), the Treasury

regulations promulgated thereunder, and the provisions of this Plan that implement these requirements. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under the Required Minimum Distributions Of Death Benefits section.

1.21. District.

"District" shall mean the Modesto Irrigation District.

1.22. Early Retirement.

"Early Retirement" shall mean ceasing to be an Employee before attaining Normal Retirement Age, but after meeting the age and service requirements for an Early Retirement Benefit under the Early Retirement section.

1.23. Early Retirement Benefit.

"Early Retirement Benefit" shall mean the benefit payable under the Early Retirement section.

1.24. Early Retirement Date.

"Early Retirement Date" shall mean the first day of the month next following Early Retirement.

1.25. Eligible Employee.

A. "Eligible Employee" shall mean any Employee whose customary employment by the District is for at least 20 hours per week and at least 5 months per year, excluding (i) individuals who are employed in a work-experience or student intern classification under the personnel policies of the District, (ii) Employees whose collective bargaining agreement does not provide for coverage under the Plan, (iii) Leased Employees, and (iv) any other individual who is not classified by the District, in its discretion, as an employee under Code section 3121(d).

B. Excluded individuals also include individuals classified by the District, in its discretion, as independent contractors, non-employee consultants, employees of a person or an entity other

than the District and individuals whose basic compensation for services for the District is not paid directly by the District. Such individuals shall not be Eligible Employees even if the classification by the District is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Eligible Employee under this subsection is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Eligible Employee and shall be ineligible for benefits for all periods prior to the date as of which the District determines its classification of the individual is erroneous or should be revised.

- C. Effective as of December 1, 2011, "Eligible Employee" shall not include a Director if the Director (i) is not concurrently a non-Director Eligible Employee and (ii) had earned Retirement Benefits as a non-Director Eligible Employee (regardless of whether the Director was also a Director when such Retirement Benefits were earned, or whether the Director has been reinstated under subsection D of the Effect Of Reemployment On Benefits section). The preceding sentence shall not apply to a Director who was serving as a Director on November 30, 2011.

1.26. Eligible Retirement Plan.

"Eligible Retirement Plan" shall mean a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), an individual retirement annuity described in Code section 408(b) other than an endowment contract, or an eligible deferred compensation plan described in Code section 457(b) that 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 that agrees to separately account for amounts transferred into such plan from this Plan, that accepts the distributee's Eligible Rollover Distribution; provided, however, that in the case of an Eligible Rollover Distribution to a Designated Beneficiary who is not the Employee's surviving spouse, (i) an Eligible Retirement Plan shall be either an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), or an individual retirement annuity described in Code section 408(b) other than an endowment contract and (ii) a direct trustee-to-trustee transfer is made to such an account or annuity.

1.27. Eligible Rollover Distribution.

"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the distributee; provided, however, that an Eligible Rollover Distribution does not include:

- A. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;
- B. Any distribution to the extent such distribution is required under Code section 401(a)(9);
- C. The portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities); provided, however, that:
 - 1. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax Employee contributions that are not includible in gross income; and
 - 2. Notwithstanding the preceding paragraph, such portion may be transferred in a direct trustee-to-trustee transfer only to:
 - a. An individual retirement account described in Code section 408(a);
 - b. A Roth individual retirement account described in Code section 408A (effective for distributions after December 31, 2007);
 - c. An individual retirement annuity described in Code section 408(b); or
 - d. A qualified plan described in Code section 401(a) (whether or not it is a defined contribution plan) or an annuity contract or a custodial account described in Code section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the

portion of such distribution that is includible in gross income and the portion of such distribution that is not so includible; or

- D. For distributions after December 31, 2001, any distribution that is made upon the hardship of the Employee.

1.28. Employee.

"Employee" shall mean any individual who renders services to the District as a Director, or in the status of an "employee" as that term is defined in Code section 3121(d). The term "Employee" shall also include Leased Employees who are providing services to the District, but solely for purposes of calculating Years Of Service.

1.29. Employment Commencement Date.

"Employment Commencement Date" shall mean, with respect to any Employee, the date on which the Employee first performs an Hour Of Service.

1.30. Final Compensation.

In accordance with, but only to the extent required by, California Government Code section 7522.32 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, "Final Compensation" shall mean the highest average annual Pensionable Compensation earned by a Participant who is a Tier III Eligible Employee during a period of at least 36 consecutive months immediately preceding the Participant's retirement or last separation from service, if earlier, or during any other period of at least 36 consecutive months during the Participant's applicable service that the Participant designates on the application for retirement.

1.31. Hour Of Service.

"Hour Of Service" shall be determined under the Participation And Service Crediting article.

1.32. Leased Employee.

- A. "Leased Employee" means any person who is not an Employee of the Employer and who provides services to the Employer if:

1. Such services are provided pursuant to an agreement between the Employer and the leasing organization;
 2. Such person has performed such services for the Employer or related persons on a substantially full-time basis for a period of at least 1 year; and
 3. Such services are performed under primary direction or control by the Employer.
- B. Notwithstanding the foregoing, a "Leased Employee" shall not include a person who is covered under a money purchase pension plan maintained by the leasing organization that provides for:
1. A nonintegrated employer contribution rate of at least 10% of compensation, as defined in Code section 415(c)(3);
 2. Immediate participation (except for employees who perform substantially all of their services for the leasing organization and except for an individual whose compensation from the leasing organization in each Plan Year during the four (4)-year period ending with the Plan Year is less than one thousand dollars (\$1,000)); and
 3. Full and immediate vesting;

but only if Leased Employees, determined without regard to this subsection B, do not constitute more than twenty percent (20%) of the Employer's "nonhighly compensated workforce" as defined in Code section 414(n)(5)(C)(ii).

1.33. Leave Of Absence.

"Leave Of Absence" shall mean a paid or unpaid leave granted by the District in accordance with its personnel policies, and shall include periods of military service for which reemployment rights are prescribed by law.

1.34. Normal Cost.

"Normal Cost" shall mean the portion of the present value of projected benefits under the Plan that is attributable to the current Year Of Service, as determined by the Actuary according to the most recently completed plan valuation.

1.35. Normal Cost Rate.

"Normal Cost Rate" shall mean the annual actuarially determined Normal Cost for the Plan expressed as a percentage of payroll.

1.36. Normal Retirement.

"Normal Retirement" shall mean ceasing to be an Employee on or after attaining Normal Retirement Age and before Normal Retirement Date.

1.37. Normal Retirement Age.

"Normal Retirement Age" shall mean:

- A. For a Participant who is a Tier I Eligible Employee or a Tier II Eligible Employee, the later of age 60 or the completion of at least 5 Years Of Credited Service; or
- B. For a Participant who is a Tier III Eligible Employee, the later of age 65 or the completion of at least 5 Years Of Credited Service.

1.38. Normal Retirement Benefit.

"Normal Retirement Benefit" shall mean the benefit payable under the Normal Retirement section.

1.39. Normal Retirement Date.

"Normal Retirement Date" shall mean the first day of the calendar month coinciding with or next following the date the Participant attains Normal Retirement Age.

1.40. Participant.

"Participant" shall mean an Eligible Employee who has commenced participating in the Plan and whose participation in the Plan has not ceased, all in accordance with the Participation And Service Crediting article.

1.41. PEPRA.

"PEPRA" shall mean the California Public Employees' Pension Reform Act of 2013. The provisions of this Plan that are intended to satisfy PEPRA's requirements shall be construed in accordance with the requirements of PEPRA and the guidance thereunder.

1.42. Pensionable Compensation.

A. Pensionable Compensation In General.

In accordance with, but only to the extent required by, California Government Code section 7522.34 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, "Pensionable Compensation" shall mean, with respect to a Participant who is a Tier III Eligible Employee, the Participant's normal monthly rate of pay or base pay paid in cash to similarly situated Employees of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. Compensation that has been deferred shall be deemed Pensionable Compensation when earned rather than when paid. Compensation of such a Participant shall not include:

1. Any compensation determined by the Committee or its designee to have been paid to increase the Participant's retirement benefit under the Plan.
2. Compensation that had previously been provided in kind to the Participant by the District or paid directly by the District to a third party other than the Plan for the benefit of the Participant and which was converted to and received by the Participant in the form of a cash payment.
3. Any one-time or ad hoc payments made to the Participant.
4. Severance or any other payment that is granted or awarded to the Participant in connection with or in anticipation of a separation from employment, but is received by the Participant while employed.
5. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
6. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

7. Any District-provided allowance, reimbursement, or payment, including, but not limited to, one made for meals, housing, vehicle, or uniforms.
8. Overtime pay.
9. District contributions to deferred compensation or defined contribution plans.
10. Any bonus paid in addition to the Pensionable Compensation of the Participant.
11. Any other form of compensation the Committee or its designee determines is inconsistent with the requirements of this Pensionable Compensation provision.
12. Any other form of compensation the Committee or its designee determines should not be Pensionable Compensation.

B. Limit On Pensionable Compensation.

1. Notwithstanding any other provision of this Plan, other than the Exception For Lower Normal Cost provision, below, in accordance with, but only to the extent required by, California Government Code section 7522.10 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, Pensionable Compensation of a Participant who is a Tier III Eligible Employee shall not exceed the following applicable percentage of the Social Security contribution and benefit base in effect on January 1, 2013 (as such contribution and benefit base shall be adjusted in accordance with paragraph 2, below):
 - a. 100% for a Participant who is a Tier III Eligible Employee who is subject to Social Security; or
 - b. 120% for a Participant who is a Tier III Eligible Employee who is not subject to Social Security.
2. For purposes of this provision, the contribution and benefit base specified in section 430(b) of title 42 of the United States Code on January 1, 2013 shall be adjusted based on the annual changes to the Consumer Price Index for All

Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.

C. Exception For Lower Normal Cost.

In accordance with, but only to the extent required by, California Government Code section 7522.10(d) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the requirements of this section shall not apply to a Participant who is a Tier III Eligible Employee if, before January 1, 2013, the Plan provided for a defined benefit formula with a lower benefit factor at Normal Retirement Age and results in a lower Normal Cost than the defined benefit formula required by the Retirement Benefit For Tier III Participants section; provided, however, that:

1. If the District adopts a new defined benefit formula on or after January 1, 2013, that formula must conform to the requirements of PEPRA or must be determined and certified by the Plan's chief actuary and the Committee or its designee to have no greater risk and no greater cost to the District than the defined benefit formula required by the Retirement Benefit For Tier III Participants section and must be approved by the Legislature.
2. Participants who are Tier III Eligible Employees may participate only in the lower cost defined benefit formula that was in place before January 1, 2013, or a defined benefit formula that conforms to the requirements of PEPRA or is approved by the Legislature.

1.43. Period Of Service.

"Period Of Service" shall be determined under the Participation And Service Crediting article.

1.44. Plan.

"Plan" shall mean the Modesto Irrigation District Retirement System Basic Retirement Plan, as set forth herein and as it may be amended from time to time hereafter.

1.45. Plan Administrator.

"Plan Administrator" shall mean the chief human resources manager of the District (or such alternate individual as the Board Of Directors shall appoint from time to time).

1.46. Plan Year.

"Plan Year" shall mean the calendar year.

1.47. Qualified Domestic Relations Order.

"Qualified Domestic Relations Order" shall mean a judgment, decree or order (including approval of the property settlement agreement) issued pursuant to any State domestic relations law (including a community property law) that the Committee or its designee determines is a "qualified domestic relations order" within the meaning of Code section 414(p), as such section applies to a governmental plan. Such determination shall be made under reasonable procedures established by the Committee or its designee.

1.48. Qualifying Participant.

"Qualifying Participant" shall mean:

- A. A Participant (and, if applicable, a former Participant) who has attained age 55 and completed at least 5 Years Of Credited Service; or
- B. A Participant who has attained a total of 840 months of age and Credited Service while a Participant.

1.49. Retirement Benefit.

"Retirement Benefit" shall mean an Early Retirement Benefit, a Normal Retirement Benefit, a Disability Retirement Benefit, a Delayed Retirement Benefit, a Deferred Vested Benefit, or a Retirement Benefit For A Tier III Participant, as applicable.

1.50. Retirement Benefit For A Tier III Participant.

"Retirement Benefit For A Tier III Participant" shall mean the benefit payable under the Retirement Benefit For Tier III Participants section.

1.51. Tier I Eligible Employee.

"Tier I Eligible Employee" means an Employee who became an Eligible Employee prior to January 1, 2006 and who has not had a Break-In-Service and then again becomes an Eligible Employee on or after January 1, 2006 (i.e., not a Tier II Eligible Employee).

1.52. Tier II Eligible Employee.

"Tier II Eligible Employee" means an Eligible Employee (i) who becomes an Eligible Employee on or after January 1, 2006, or (b) who became an Eligible Employee prior to January 1, 2006, but who has a Break-In-Service and then again becomes an Eligible Employee on or after January 1, 2006.

1.53. Tier III Eligible Employee.

"Tier III Eligible Employee" shall mean, in accordance with, but only to the extent required by, California Government Code section 7522.04(f) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder an Eligible Employee who either (i) becomes a member of any "public retirement system" for the first time on or after January 1, 2013 and was not a member of any other "public retirement system" prior to January 1, 2013, (ii) becomes a member of a "public retirement system" for the first time on or after January 1, 2013 and was a member of another California "public retirement system" prior to January 1, 2013, but was not subject to reciprocity under California Government Code section 7522.02(c), or (iii) was an active member in a retirement system and, after a break in service of more than 6 months, returned to active membership in that system with a new employer; provided, however, that for purposes of (iii), a change in employment between State entities or from one school employer to another shall not be considered as service with a new employer. For purposes of this provision, "public retirement system" means a California "public retirement system," as that term is defined in California Government Code section 7522.04(j).

1.54. Total Disability Or Totally Disabled.

- A. "Total Disability" or "Totally Disabled" shall mean that a Participant is unable to engage in any substantial gainful activity by reason of a physical or mental impairment which is expected to result in death or to be of long-continued and indefinite duration, excluding a disability that is caused by or results from:
1. Suicide or any attempt at suicide while sane;
 2. Declared or undeclared war or any act thereof; or
 3. Service in the armed forces of any country.
- B. The Committee or its designee shall determine whether a Participant is Totally Disabled on the basis of competent medical evidence certified by a duly licensed physician chosen (or approved) by the Committee or its designee.
- C. A Participant who is determined to be Totally Disabled must make himself or herself available for reappraisal of such status at least once each 12 months, as shall be required by, and at times and places scheduled by, the Committee or its designee. A Participant's failure to keep the Committee or its designee advised of the Participant's whereabouts and availability, or any other failure to cooperate for purposes of verifying the continuance of the Participant's Total Disability, shall cause a loss of further accrual of Credited Service as of such date as may be fixed by the Committee or its designee.
- D. The Committee's or its designee's determination of whether and for what period a Participant is Totally Disabled shall be conclusive and binding on all interested parties.

1.55. Trust.

"Trust" shall mean the trust established, maintained and administered pursuant to sections 53215 et seq. of the California Government Code and Code section 501(a) under which the Trustee holds the assets of the Plan.

1.56. Trustee.

"Trustee" shall mean the trustee(s) signing the Trust and any successor trustee(s).

1.57. USERRA.

"USERRA" shall mean the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time.

1.58. Year Of Credited Service.

"Year Of Credited Service" shall be determined under the "Participation And Service Crediting article.

1.59. Year Of Service.

"Year Of Service" shall be determined under the "Participation And Service Crediting article.

ARTICLE 2. PARTICIPATION AND SERVICE CREDITING

2.01. When Participation Begins.

- A. All Eligible Employees who were Participants in the Plan as it existed on December 31, 2021 shall continue as Participants under and in accordance with the provisions of this Plan.
- B. Any individual who was an Employee, but not an Eligible Employee, on December 31, 2021 shall become a Participant in the Plan on the date the Employee becomes an Eligible Employee.
- C. Any individual who first becomes an Employee on or after January 1, 2021 shall become a Participant in the Plan on the date on which the Employee becomes an Eligible Employee.

2.02. When Participation Stops.

A Participant's participation in the Plan continues until the earlier of:

- A. The date on which the Participant ceases to be an Employee; or
- B. The date on which the Participant becomes covered by any other retirement or pension plan to which the District contributes (other than the Modesto Irrigation District Retirement System Supplemental Retirement Plan or the Modesto Irrigation District Deferred Compensation Plan).

2.03. Participation After Reemployment.

If a former Participant is reemployed, the former Participant will again become a Participant on the date on which the former Participant qualifies as an Eligible Employee following reemployment.

2.04. Veterans' Rights.

- A. An Employee, who was absent from the Employee's position of employment by reason of service in the uniformed services and who is reemployed, as these terms are used in the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time (USERRA), shall be treated as not having incurred a Break-In-Service with the District by reason of such person's period or periods of service in the uniformed services. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the District for the purpose of determining the nonforfeitability of the Participant's Retirement Benefit and for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).
- B. Effective as of January 1, 2007, the Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37), the regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment on the date before the Participant's date of death and then had a termination of employment on account of death.

2.05. Break-In-Service Definition.

"Break-In-Service" shall mean, with respect to any Employee, a period of 12 consecutive months, commencing with the Employee's Severance From Service Date, during which the Employee does not perform an Hour Of Service.

2.06. Credited Service Definition.

"Credited Service" shall mean a Participant's Period Of Service, excluding the following:

- A. Any month during which the Participant does not qualify as an Eligible Employee;
- B. For Participants who became Employees prior to July 1, 1991, and who were not initially employed on the first day of a month, the first month of their employment;
- C. For Participants who were Employees prior to March 1, 1967, and who elected not to participate in the Plan when they were first eligible to do so, all months of their employment prior to such date; and
- D. The period of any unpaid Leave Of Absence subject to the following:
 - 1. If the unpaid Leave Of Absence is for a period of no more than 12 months and the Participant returns to active employment as an Employee with the District at the expiration of the Leave Of Absence (except as provided in paragraph 4, below), the period of such unpaid Leave Of Absence shall not be excluded under this subsection;
 - 2. If the unpaid Leave Of Absence is for a period of no more than 12 months and the Participant does not return to active employment as an Employee with the District at the expiration of the Leave Of Absence (except as provided in paragraph 4, below), the period of such unpaid Leave Of Absence shall be excluded under this subsection;
 - 3. Except as provided in paragraph 4, below, if the unpaid Leave Of Absence is for a period of more than 12 months, the period of such unpaid Leave Of Absence shall be excluded under this subsection regardless of whether the Participant returns to active employment as an Employee with the District at the expiration of the Leave Of Absence; and
 - 4. Notwithstanding the above:

- a. A month of military service that counts as part of a Participant's Period Of Service shall constitute part of the Participant's Credited Service, if the Participant returns to active employment as an Employee with the District within the period during which the Participant's reemployment rights are protected by law (e.g., under USERRA); and
- b. If the Participant is Totally Disabled, any period that is required to be taken into account under the Service Credit While Disabled section shall not be excluded from the Participant's Credited Service.

2.07. Hour Of Service Definition.

"Hour Of Service" shall mean each hour for which an Employee is paid or entitled to payment by the District for the performance of duties, and each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the District.

2.08. Period Of Service Definition.

- A. "Period Of Service" shall mean, with respect to any Employee, the period of time beginning on the Employee's Employment Commencement Date and ending on the date on which the Employee ceases to be an Employee for any reason (date of termination).
- B. If an Employee ceases to be an Employee for any reason but is reemployed by the District and returns to active employment as an Employee with the District within the 12-month period immediately following the Employee's date of termination, the Employee's Period Of Service shall include the period between the Employee's date of termination and the date of such reemployment.
- C. If an Employee (i) is absent from work for any reason other than ceasing to be an Employee, (ii) ceases to be an Employee for any reason during the first 12 months of such absence, and (iii) is then reemployed by the District within 12 months of the date the Employee was first absent from work, the Employee's Period Of Service shall include the period from the date such absence began to the date of such reemployment.

2.09. Year Of Credited Service Definition.

"Year Of Credited Service" shall mean, with respect to any Participant, each 12-month period of the Participant's Credited Service (and fractions of such a 12-month period), excluding any Credited Service the Participant completed prior to a Break-In-Service that occurred before the Participant had completed 5 Years Of Service.

2.10. Year Of Service Definition.

"Year Of Service" shall mean, with respect to any Employee, a Period Of Service equal to 12 months, excluding any Period Of Service the Employee completed prior to a Break-In-Service that occurred before the Employee had completed 5 Years Of Service.

2.11. Service Credit While Disabled.

Notwithstanding any other provision of the Plan to the contrary, any Participant who becomes Totally Disabled while the Participant is still an Employee shall continue to accrue Years Of Service and Years Of Credited Service until the earliest of:

- A. The date the Committee or its designee determines such accrual should cease due to the Participant's failure to cooperate in verifying the continuance of the Participant's Total Disability;
- B. The date on which the Participant recovers from the Participant's Total Disability (determined under the Recovery Of Disabled Participants section);
- C. The Participant's Normal Retirement Date; or
- D. Effective January 1, 1994, continued accrual of Years Of Service and Years Of Credited Service shall also stop if a Participant who is Totally Disabled elects to have the Participant's Disability Retirement Benefit commence prior to the Participant's Normal Retirement Date in accordance with subsection C of the Disability Retirement section.

ARTICLE 3. CONTRIBUTIONS TO THE PLAN

3.01. District Contributions.

Subject to the last sentence of this section and subject to the District PEPRA Contributions section, the District shall contribute to the Trust, not

less frequently than once a year, the amounts necessary to maintain the Plan on a sound actuarial basis consistent with the Power Of The Committee section. The Committee or its designee shall arrange for the establishment and maintenance by the Actuary, or in accordance with the Actuary's recommendations, of such funding accounts as are required by generally accepted actuarial principles. Notwithstanding the foregoing provisions of this section, but subject to the District PEPRA Contributions section, the District reserves the right to suspend or reduce contributions to the Plan at any time, upon appropriate action by the Board Of Directors.

3.02. District PEPRA Contributions.

- A. In accordance with, but only to the extent required by, California Government Code section 7522.30 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:
1. District contributions shall not exceed 50% of the Normal Costs of benefits attributable to Participants who are Tier III Eligible Employees.
 2. The District shall not pay any of the required Employee contribution for a Participant who is a Tier III Eligible Employee.
 3. If the terms of a contract, including a memorandum of understanding, between the District and its public Employees, that is in effect on January 1, 2013, would be impaired by any of the above requirements of this provision, that requirement shall not apply to the District and public Employees subject to that contract until the expiration of that contract. A renewal, amendment, or any other extension of that contract on or after January 1, 2013 shall not be taken into account for this purpose.
- B. In accordance with, but only to the extent required by, California Government Code sections 7522.52 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, in any Plan Year, the District's contribution to the Plan, in combination with Employee contributions to the Plan, shall not be less than the Normal Cost Rate. However, the Board Of Directors may suspend or reduce contributions to the Plan when all of the following apply:

1. The Plan is funded by more than 120%, based on a computation by the Actuary in accordance with the Governmental Accounting Standards Board requirements that is included in the annual valuation;
2. The Actuary, based on the annual valuation, determines that continuing to accrue excess earnings could result in disqualification of the Plan's tax-exempt status under the Code; and
3. The Committee or its designee or the Board Of Directors determines that the receipt of any additional contributions required under this provision would conflict with its fiduciary responsibility set forth in Section 17 of Article XVI of the California Constitution.

3.03. Funds Not Recoverable By The District – Exceptions.

- A. Except as otherwise provided in this section, at no time shall any amounts held in the Trust revert to, or be recoverable by, the Employer, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants, former Participants and their Beneficiaries under the Plan and paying the reasonable expenses of administering the Plan. Notwithstanding the preceding sentence or any other provision of the Plan to the contrary:
 1. To the extent any contribution to the Plan is made by reason of a mistake of fact, it may be returned to the District within 1 year after the date such contribution was made; and
 2. Upon the termination of the Plan, any assets remaining in the Trust after the satisfaction of all liabilities to Participants, former Participants and their Beneficiaries may be returned to the District.
- B. The amounts which may be returned to the District pursuant to paragraph 1 of subsection A, above, shall be the excess of the amounts contributed over the amounts that would have been contributed had there not been a mistake of fact. No earnings on the mistaken contributions may be returned to the District, and any losses sustained by the Trust after the date of contribution shall proportionately reduce the amount that may be returned to the District hereunder.

3.04. Use Of Forfeitures.

All forfeitures arising under the Plan shall be used to reduce the contributions otherwise payable to the Plan by the District and may not be used to increase the Retirement Benefit otherwise payable to any person under the Plan.

3.05. Tier III Participant PEPRA Contributions.

In accordance with, but only to the extent required by, California Government Code sections 7522.30 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:

- A. Participants who are Tier III Eligible Employees shall have an initial contribution rate of at least 50% of the Normal Cost Rate for the Plan of retirement benefits provided to the Participant, rounded to the nearest 0.25%, unless a greater contribution rate has been agreed to pursuant to subsection B, below. This contribution shall not be paid by the District on the Participant's behalf. Once established, this Participant contribution rate shall not be adjusted on account of a change to the Normal Cost Rate unless the Normal Cost Rate increases or decreases by more than 1% of payroll above or below the Normal Cost Rate in effect at the time the Participant contribution rate is first established or, if later, the Normal Cost Rate in effect at the time of the last adjustment to the Participant contribution rate under this section.
- B. Notwithstanding subsection A, above, such contributions may be more than 50% of the Normal Cost Rate if the increase has been agreed to through the collective bargaining process, subject to the following conditions:
 - 1. The District shall not contribute at a greater rate to the Plan for nonrepresented, managerial, or supervisory employees than the District contributes for other public employees, including represented employees, of the District who are in related retirement membership classifications.
 - 2. The District shall not increase an Employee contribution rate in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

3. The District shall not use impasse procedures to increase an Employee contribution rate above the rate required by this provision.
- C. If the terms of a contract, including a memorandum of understanding, between the District and its public Employees, that is in effect on January 1, 2013, would be impaired by any of the above requirements of this provision, that requirement shall not apply to the District and public Employees subject to that contract until the expiration of that contract. A renewal, amendment, or any other extension of that contract on or after January 1, 2013 shall not be taken into account for this purpose.

ARTICLE 4. RETIREMENT BENEFITS IN GENERAL

4.01. Retirement Benefits.

- A. Except as provided in the Retirement Benefit For Tier III Participants section:
1. Any Participant who ceases to be an Employee upon or after reaching Normal Retirement Age and upon or before the Participant's Normal Retirement Date shall be entitled to a Normal Retirement Benefit as set forth in the Normal And Delayed Retirement Benefits article.
 2. Any Participant who ceases to be an Employee after the Participant's Normal Retirement Date shall be entitled to a Delayed Retirement Benefit as set forth in the Normal And Delayed Retirement Benefits article.
 3. Any Participant who ceases to be an Employee after having met the requirements for an Early Retirement Benefit and before reaching Normal Retirement Age shall be entitled to an Early Retirement Benefit as set forth in the Early Retirement Benefits article.
 4. Any Participant who ceases to be an Employee after having met the requirements for a Deferred Vested Benefit and before meeting the requirements for an Early Retirement Benefit shall be entitled to a Deferred Vested Benefit as set forth in the Deferred Vested Benefits article.

5. Any Participant who is Totally Disabled shall be entitled to a Disability Retirement Benefit as set forth in the Disability Retirement Benefits article.
 6. In no event shall a Participant's monthly pension, whether in the normal form or an optional form, and regardless of which type of Retirement Benefit, but prior to the application of the Cost-Of-Living Increases section, exceed the Participant's Average Monthly Compensation.
- B. A Participant who reaches Normal Retirement Age shall be 100% vested in the Participant's Normal Retirement Benefit determined under the Normal And Delayed Retirement Benefits article for Tier I and Tier II Eligible Employees or Retirement Benefit For Tier III Participants section for Tier III Eligible Employees.

4.02. Retirement Benefit For Tier III Participants.

A. Calculation Of Retirement Benefit For Tier III Participants.

Notwithstanding any other provision of this Plan, other than the Exception For Lower Normal Cost subsection, below, in accordance with, but only to the extent required by, California Government Code section 7522.20 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the Retirement Benefit for a Participant who is a Tier III Eligible Employee shall be a pension at retirement for service equal to the percentage of the Participant's Final Compensation set forth opposite the Participant's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the Participant's number of Years Of Service in the Plan, which shall include any fractional Years Of Service. A Participant who is a Tier III Eligible Employee may retire pursuant to the age and service requirements of this Plan, but in no event may such a Participant retire earlier than (i) after being credited with 5 Years Of Service and (ii) upon reaching 52 years of age.

Age At Retirement	Percentage
52	1.000%
52 $\frac{1}{4}$	1.025%
52 $\frac{1}{2}$	1.050%
52 $\frac{3}{4}$	1.075%

Age At Retirement	Percentage
53	1.100%
53 ¼	1.125%
53 ½	1.150%
53 ¾	1.175%
54	1.200%
54 ¼	1.225%
54 ½	1.250%
54 ¾	1.275%
55	1.300%
55 ¼	1.325%
55 ½	1.350%
55 ¾	1.375%
56	1.400%
56 ¼	1.425%
56 ½	1.450%
56 ¾	1.475%
57	1.500%
57 ¼	1.525%
57 ½	1.550%
57 ¾	1.575%
58	1.600%
58 ¼	1.625%
58 ½	1.650%
58 ¾	1.675%
59	1.700%
59 ¼	1.725%
59 ½	1.750%
59 ¾	1.775%
60	1.800%
60 ¼	1.825%
60 ½	1.850%
60 ¾	1.875%
61	1.900%
61 ¼	1.925%
61 ½	1.950%
61 ¾	1.975%
62	2.000%
62 ¼	2.025%
62 ½	2.050%
62 ¾	2.075%
63	2.100%
63 ¼	2.125%

Age At Retirement	Percentage
63 ½	2.150%
63 ¾	2.175%
64	2.200%
64 ¼	2.225%
64 ½	2.250%
64 ¾	2.275%
65	2.300%
65 ¼	2.325%
65 ½	2.350%
65 ¾	2.375%
66	2.400%
66 ¼	2.425%
66 ½	2.450%
66 ¾	2.475%
67	2.500%

B. Exception For Lower Normal Cost.

In accordance with, but only to the extent required by, California Government Code section 7502.10(d) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the requirements of this section shall not apply to a Participant who is a Tier III Eligible Employee if, before January 1, 2013, the Plan provided for a defined benefit formula with a lower benefit factor at Normal Retirement Age and results in a lower Normal Cost than the defined benefit formula required by this section; provided, however, that:

1. If the District adopts a new defined benefit formula on or after January 1, 2013, that formula must conform to the requirements of PEPRA or must be determined and certified by the Plan's chief actuary and the retirement Committee or its designee to have no greater risk and no greater cost to the District than the defined benefit formula required by this section, and must be approved by the Legislature.
2. Participants who are a Tier III Eligible Employees may participate only in the lower cost defined benefit formula that was in place before January 1, 2013, or a defined benefit formula that conforms to the requirements of PEPRA or is approved by the Legislature.

4.03. Optional Forms Of Benefits Available.

- A. In lieu of the form of Retirement Benefit provided to a Participant under the Plan, a Participant may elect to have the Participant's Retirement Benefit paid in any of the following forms, each of which shall be the Actuarial Equivalent of the Retirement Benefit to which the Participant would otherwise be entitled:
1. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse;
 2. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse;
 3. A single life benefit, which provides increased monthly payments during the retired Participant's life, with no further payments being made after the Participant's death;
 4. For Participants who are Tier I Eligible Employees only, a benefit that provides a monthly retirement benefit for the life of the retired Participant with 180 payments guaranteed; or
 5. For Participants who are Tier I Eligible Employees only, a benefit which provides reduced monthly payments during the life of the retired Participant, with 240 payments guaranteed.
- B. Effective for Participants who retire on or after January 1, 2000, the following additional optional forms of benefit shall be available:
1. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired Participant with 120 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.
 2. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired

Participant with 180 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.

3. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired Participant with 240 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.
4. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit.
5. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit.
6. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, but in the event that the Participant's surviving spouse predeceases the retired Participant, the retired Participant's monthly benefit shall increase, effective as of the first day of the month next following the surviving spouse's death, to what it would have been had the retired Participant been receiving benefits in the form of a single life benefit (which provides increased monthly payments during the retired Participant's life, with no further payments being made after the Participant's death) since retirement (i.e., the "Pop-Up Feature").

7. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit and with the Pop-Up Feature.
8. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the Pop-Up Feature.
9. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit and with the Pop-Up Feature.

4.04. Cost-Of-Living Increases.

- A. Effective each July 1, the Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, and Disability Retirement Benefit payable to "Retired Participants" (as defined below) who have been receiving benefit payments for at least 1 year shall be adjusted based on changes in the cost-of-living. No such adjustment shall be made to any Deferred Vested Benefit being paid hereunder.
- B. For purposes of the Plan, changes in the cost-of-living shall be determined by changes in the cost-of-living index as determined by the United States Department of Labor, United States City Average for all Urban Consumers. Each such adjustment shall be in the same percentage as the percentage increase in said index from April of the preceding Plan Year to April of the Plan Year in which the adjustment will begin; provided that, in no event shall the adjustment for any 1 year exceed 4%, nor shall any Retired Participant's monthly benefit payment be decreased. Notwithstanding the foregoing, the cost-of-living adjustment for

any 1 year with respect to a Retired Participant who was not a Tier I Eligible Employee shall not exceed 3%.

- C. Except as otherwise provided in the Optional Forms Of Benefits Available section or the. Death Before Benefits Commence section, no cost-of-living adjustments shall be made to any type of payment that is being made to a Beneficiary under the Plan. However, payments made to Beneficiaries hereunder will be based on the amount that was being paid immediately prior to the Participant's death (i.e., including the amount of any cost-of-living adjustments that had been made to the Participant's benefit prior to the Participant's death).
- D. Any person who is receiving payments under a Qualified Domestic Relations Order with respect to a Retired Participant shall receive annual cost-of-living adjustments to the person's monthly payment in the same manner as Retired Participants, if the applicable Qualified Domestic Relations Order so provides. However, no such cost-of-living adjustment shall be made to any such person until after the relevant Participant has ceased to be an Employee, and no such cost-of-living adjustment shall be made following the relevant Participant's death.
- E. For purposes of this section, the term "Retired Participant" shall mean a former Participant who began receiving an Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, or Disability Retirement Benefit on or after January 1, 1988.
- F. This Cost-Of-Living section shall apply to each Participant who (i) is a Retired Participant, (ii) was a Tier III Eligible Employee, and (iii) has been receiving benefit payments for at least 1 year if the Participant would have qualified for an Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, or Disability Retirement Benefit, if the Participant had not been a Tier III Eligible Employee.

4.05. Election And Commencement Of Retirement Benefits.

A Participant who desires to commence distributions of the Participant's Retirement Benefit from the Plan, whether in the normal form or an optional form, and regardless of which type of Retirement Benefit, must so elect in writing and must file the election with the Committee or its designee within the 180-day period ending on the date on which the Participant's Retirement

Benefit is to commence. Such an election becomes irrevocable on the date on which the Participant's Retirement Benefit is to commence as set forth in the article that governs the Retirement Benefit. A Participant's Retirement Benefit shall not commence until the Participant has terminated employment with the District. A Participant's Retirement Benefit shall not commence until the month after the month the Participant's election is filed with the Committee or its designee.

4.06. Time For Payment Of Benefits.

Retirement Benefit payments shall be made in monthly installments. Such payments shall actually begin as soon as reasonably practicable after the applicable commencement date and shall continue until the last payment due prior to the Participant's death. In the event payments are to be continued to a Participant's Beneficiary and do, in fact, become payable, such payments shall commence 1 month after the last payment due the deceased Participant and shall terminate with the last payment due prior to the death of the Beneficiary.

4.07. Cash-Out Of Small Benefits.

Notwithstanding any other provision of the Plan to the contrary, other than as set forth in the Termination Before Vesting section, if the Actuarial Equivalent of a Participant's Retirement Benefit is not greater than \$5,000 (or such larger amount as may be prescribed under Code section 417(e)), an amount equal to such Actuarial Equivalent shall be distributed to the Participant in a single sum distribution of cash, and no further benefits shall be payable to the Participant or the Participant's Beneficiary. Notwithstanding the foregoing, in the event that the Actuarial Equivalent of such a Participant's benefit is greater than \$1,000 but equal to or less than \$5,000 (or such larger amount as may be prescribed under Code section 417(e)), if the Participant does not affirmatively elect to have such Actuarial Equivalent either (i) paid directly to an eligible retirement plan specified by the Participant in a direct benefit transfer as described in the Direct Benefit Transfers After 1992 section or (ii) paid to the Participant directly, then the Committee or its designee shall pay the distribution in a direct benefit transfer to an individual retirement plan designated by the Committee or its designee.

4.08. No Duplication Of Benefits.

The provisions of this Plan shall be construed to avoid duplication of benefits. Any Retirement Benefit paid to either (i) a former Participant who is later rehired and again becomes a Participant or (ii) an active Participant

pursuant to the Benefits Must Commence Based On Age section will reduce any benefit subsequently payable to the Participant or the Participant's Beneficiary by an amount that is the Actuarial Equivalent of the Retirement Benefit previously paid.

4.09. Effect Of Reemployment On Benefits.

Notwithstanding any provision in this Plan to the contrary:

- A. Excepted as provided in subsection D, a Participant, who (i) has terminated employment with the District, (ii) is eligible for Retirement Benefit payments, (iii) has commenced receiving Retirement Benefit payments (regardless of whether the Participant elected to receive them or is required to receive them under the Benefits Must Commence Based On Age section), and (iv) is reemployed by the District shall be treated as follows:
1. If the Participant is reemployed by the District as an Employee other than an Eligible Employee (e.g., the Participant is reemployed as a Director who is excluded under the Eligible Employee section or as a non-Director Employee whose customary employment by the District is for less than 20 hours per week), the Participant shall continue to receive such payments
 2. If the Participant is reemployed by the District as an Eligible Employee, such payments shall cease as of the Participant's date of reemployment (i.e., the Participant shall receive a partial payment for the month of reemployment prorated from the first day of the month to the date of reemployment). When such a Participant subsequently ceases to be an Employee, the Participant shall be entitled to Retirement Benefits determined in accordance with the applicable provisions of the Plan, calculated on the basis of the Participant's aggregate Years Of Credited Service and Average Monthly Compensation at the subsequent termination date, reduced by the Actuarial Equivalent of the Retirement Benefits the Participant had received.
- B. If a former Participant is reemployed by the District as an Eligible Employee before or after the Participant's Retirement Benefit payments have commenced, any previous election that the Participant made with respect to the form in which the Participant's benefit was to be paid shall automatically be void with respect to future benefit payments and, for purposes of the death benefits

provided under the Death Benefits article, the Participant shall be deemed not to have made any election of a form of benefit. If the Participant wishes to have the Participant's subsequent Retirement Benefit paid in an optional form allowed under the Optional Forms Of Benefit Available section, the Participant must file a new election with the Committee or its designee within the 180-day period before such benefit is to commence.

- C. Notwithstanding the preceding provisions of this section, in no event shall the Retirement Benefits of a Participant, who (i) was reemployed by the District as a Director prior to December 1, 2011 and (ii) was receiving Retirement Benefits pursuant the terms of this section before being amended as of December 1, 2011, be reduced below the amount of the Retirement Benefits that the Participant was actually receiving immediately prior to the Participant's subsequent termination date.
- D. In accordance with, but only to the extent required by, California Government Code section 7522.56 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, a retired person, who is (i) retired from the District, (ii) receiving a pension benefit from the Plan, and (iii) rehired to serve, be employed by, or be employed through a contract directly by, the District on or after January 1, 2013, shall not serve, be employed by, or be employed through a contract directly by, the District without reinstatement from retirement, unless:
 - 1. The retired person serves upon appointment by the appointing power of the District either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration; provided, however, that, notwithstanding this requirement:
 - a. Any retired person shall not be eligible to serve or be employed by the District if, during the 12 month period prior to an appointment described in this provision, the retired person received any unemployment insurance compensation arising out of prior employment subject to this provision with a public employer, and a retiree shall certify in writing to the District upon accepting an offer of employment that the retiree is in compliance with this requirement; and

- b. A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this provision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this provision for a period of 12 months following the last day of employment.
2. The appointment of the retired person does not exceed a total for all employers that participate in this Plan of 960 hours or other equivalent limit, in a calendar or fiscal year, depending on the administrator of the Plan;
3. The rate of pay for the employment shall not be less than the minimum, nor exceed the maximum, paid by the District to other employees performing comparable duties, divided by 173.333 to equal an hourly rate; and
4. The retired person is employed by the District pursuant to this provision after a period of at least 180 days following the date of retirement, unless, in the case of a retired person other than a retired person who accepted a retirement incentive upon retirement, (i) the District certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed, (ii) the appointment has been approved by the governing body of the District in a public meeting, and (iii) the appointment was not placed on a consent calendar.

A retired person whose employment without reinstatement is authorized by this provision shall acquire no service credit or retirement rights under this provision with respect to the employment unless the retired person reinstates from retirement as an Eligible Employee.

- E. If a Participant (i) has terminated employment with the District, (ii) is eligible for Retirement Benefit payments, and (iii) is reemployed by the District before the Participant has commenced receiving Retirement Benefit payments, Retirement Benefit payments shall not commence until the Participant has once again terminated employment with the District.

4.10. Benefits Must Commence Based On Age.

Notwithstanding any other provision of the Plan:

- A. Effective prior to January 1, 1997, a Participant's Retirement Benefit payments must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 without regard to whether the Participant has ceased to be an Employee.
- B. Effective as of January 1, 1997 and prior to January 1, 2020, in the event that a Participant has not ceased to be an Employee, the Participant's Retirement Benefit payments may commence at the election of the Participant on or after April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2, but shall continue if already commenced.
- C. Effective as of January 1, 2020, in the event that a Participant has not ceased to be an Employee, the Participant's Retirement Benefit payments may commence at the election of the Participant on or after April 1 of the calendar year following the calendar year in which the Participant attains age 72, but shall continue if already commenced.
- D. All Retirement Benefit payments governed by the above subsections shall remain subject to the applicable requirements of the Required Minimum Distributions section.

4.11. Eligible Rollover Distributions.

- A. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Retirement Benefits In General article, a distributee may elect, at the time and in the manner prescribed by the Committee or its designee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee.
- B. Notwithstanding the foregoing, in the event that the Participant or the Participant's Beneficiary elects, in the manner set forth above, a distribution that constitutes an Eligible Rollover Distribution, and if the distributee of the Eligible Rollover Distribution (i) elects to have such distribution paid directly to an Eligible Retirement Plan and (ii) specifies the Eligible Retirement Plan to which such distribution is to be paid, in such form and at such time as the Committee or its designee may prescribe, then such distribution

shall be made in the form of a direct trustee-to-trustee transfer to the Eligible Retirement Plan so specified; provided, however, that the preceding trustee-to-trustee transfer provisions shall apply only to the extent that the Eligible Rollover Distribution would be includible in gross income if not so transferred (determined without regard to Code section 402(c) and 403(a)(4)).

- C. The Committee or its designee will provide a written explanation for the rollover rules and special tax treatment available to Eligible Rollover Distributions to any Participant (or Participant's Beneficiary) who is to receive a payment for the Plan that is an Eligible Rollover Distribution. This explanation will be provided no earlier than 180 days and no later than 30 days prior to the date of the distribution. However, such distribution may commence less than 30 days after the explanation is given provided that the explanation states that the Participant has at least 30 days after receiving the explanation to consider whether or not to request a rollover distribution and the Participant, after receiving the explanation, affirmatively elects an immediate distribution.
- D. Of the portion of the Eligible Rollover Distribution that the Participant elects to have paid to the Participant and not paid in the form of a direct trustee-to-trustee transfer to an Eligible Retirement Plan, 20% will be withheld as federal income tax and paid directly to the Internal Revenue Service as a credit against income taxes, and the Participant will receive the remaining 80%.
- E. The portion of the Eligible Rollover Distribution that the Participant elects to be paid in a direct rollover to an eligible retirement plan elected by the Participant will be paid to such plan provided that such plan accepts direct rollovers.

4.12. Required Minimum Distributions.

A. General Rules.

- 1. The requirements of this section take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.
- 2. All distributions required under this section will be determined and made in accordance with the regulations

under Code section 401(a)(9) and the Treasury regulations promulgated thereunder.

3. Death and other nonretirement benefits payable under the Plan shall be incidental to the primary purpose of the Plan. Thus, distributions to the Participant under the Plan shall be in sufficient amounts so that the relationship of a Participant's total benefits under the Plan to the deferred compensation payable to the Participant under the Plan is such that the primary purpose of the Plan is to provide deferred compensation to the Participant, all as required by Code section 401(a)(9)(G) and the Treasury regulations promulgated thereunder.

B. Time And Manner Of Distributions.

1. Required Minimum Distributions To Participants.

The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

2. Form Of Distribution.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first Distribution Calendar Year distributions will be made in accordance with subsections C, D and E, below. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code section 401(a)(9) and the regulations thereunder. Any part of the Participant's interest which is in the form of an individual account described in Code section 414(k) will be distributed in a manner satisfying the requirements of Code section 401(a)(9) and the regulations that apply to individual accounts.

C. Determination Of Amount To Be Distributed Each Year.

1. General Annuity Requirements.

If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- a. The annuity distributions will be paid in periodic payments made at intervals not longer than 1 year;
- b. The distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsection D, below;
- c. Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- d. Payments will either be nonincreasing or increase only as follows:
 - (1) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (2) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in subsection D, below, dies or is no longer the Participant's Beneficiary pursuant to a Qualified Domestic Relations Order;
 - (3) To provide cash refunds of Employee contributions upon the Participant's death; or
 - (4) To pay increased benefits that result from a plan amendment.

2. Amount To Be Distributed By Required Beginning Date.

The amount that must be distributed on or before the Participant's required beginning date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received (e.g., bi-monthly, monthly, semi-annually, or annually). All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

3. Additional Accruals After First Distribution Calendar Year.

Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

D. Requirements For Annuity Distributions To Participants.

1. Joint Life Annuities With Nonspouse Beneficiary.

If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Treasury Q&A-2 of regulations section 1.401(a)(9)-6. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

2. Period Certain Annuities.

Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and not a life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in regulations section 1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches the Participant's required beginning date, the applicable distribution period for the Participant is the distribution period for age 70 or 72, as appropriate, under the Uniform Lifetime Table set forth in regulations section 1.401(a)(9)-9 plus the excess of 70 or 72, as appropriate, over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and not a life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this provision, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in regulations section 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

E. Definitions For Required Minimum Distributions.

The following definitions shall apply for purposes of this section:

1. Life Expectancy.

"Life expectancy" means life expectancy as computed by use of the Single Life Table in Treasury regulations section 1.401(a)(9)-9.

2. Required Beginning Date.

"Required beginning date" means April 1 of the calendar year following the later of:

- a. The calendar year in which the Participant retires; or
- b. Whichever of the following is applicable:
 - (1) If the Participant attained age seventy and one-half (70-1/2) on or before December 31, 2019, the calendar year in which the Participant attains age seventy and one-half (70-1/2); or
 - (2) If the Participant attains age seventy and one-half (70-1/2) after December 31, 2019, the calendar year in which the Participant attains age seventy-two (72).

4.13. Limitations On Benefits.

- A. Notwithstanding any other provision of the Plan, a Participant's Annual Benefit, as defined below, shall not be accrued, distributed, or otherwise payable, in any optional form of benefit, including the normal form of benefit, in excess of the applicable limitation set forth in Code section 415 of the Code at any time during any Limitation Year, as defined below, which limitation is hereby incorporated by this reference as part of the Plan.
- B. If a Participant's Annual Benefit would exceed the foregoing limitation, the Participant's Annual Benefit shall be reduced by reducing the components thereof, as necessary, in the order in which they are listed in the definition of "Annual Benefit" set forth below.
- C. For purposes of this section, a Participant's "Annual Benefit" shall be equal to the sum of the following:
 - 1. The annual Retirement Benefit accrued, distributed or otherwise payable to the Participant under this Plan; and
 - 2. The aggregate annual retirement benefits (if any) to which the Participant is entitled under all other tax-qualified defined benefit plans maintained by the District, excluding any benefits attributable to the Participant's Employee contributions.
- D. For purposes of this section, the term "Limitation Year" shall mean the Plan Year.

4.14. Payment Of Benefits For Certain Retired Participants.

Effective March 1, 1992, all Retirement Benefit payments to those former Participants whose benefit payments commenced prior to October 1, 1991 will be paid under a non-participating Group Annuity Contract purchased from Aetna Life Insurance Company (Aetna). In the event that Aetna becomes unable to make any payment(s) due under such contract because of voluntary or involuntary bankruptcy (or any other form of insolvency), such payment(s) shall be made from the funds then held under the Trust.

4.15. Termination Before Vesting.

If a Participant ceases to be an Employee before the Participant has completed the service requirement applicable to such Participant under this article and at a time when the Participant is not eligible for any Retirement Benefit, the Participant shall be paid the Participant's Accumulated Required Contributions, if any, within 60 days after the date the Participant ceases to be an Employee, and shall be entitled to no further benefits under the Plan.

4.16. Benefits If District Suspends Contributions.

If the District suspends its contributions to the Plan, the benefits which would be forfeited under the Termination Before Vesting section shall be preserved in suspense and, unless contributions by the District are resumed, the Actuarial Equivalent of such benefits shall be paid to the affected Participants upon termination of the Plan.

ARTICLE 5. NORMAL AND DELAYED RETIREMENT BENEFITS

5.01. Normal Retirement Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section, any Participant who ceases to be an Employee upon or after reaching Normal Retirement Age and upon or before the Participant's Normal Retirement Date shall be entitled to a Normal Retirement Benefit, commencing on the Participant's Normal Retirement Date, which shall be a monthly pension payable for life, determined as follows:

- A. For Participants who cease to be Eligible Employees prior to December 1, 2005, the monthly pension shall be equal to 2% of the Participant's Average Monthly Compensation multiplied by the

Participant's Years Of Credited Service, with 120 payments guaranteed.

- B. For Participants who cease to be Eligible Employees on or after December 1, 2005 and who are Tier I Eligible Employees, the monthly pension shall be 2.75% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, with 120 payments guaranteed.
- C. For Participants who cease to be Eligible Employees on or after December 1, 2005 and who are Tier II Eligible Employees, the monthly pension shall be 2.75% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, with no payments guaranteed.
- D. For a Participant who is a Tier II Eligible Employee, but who became an Eligible Employee prior to January 1, 2006, had a Break-In-Service and then again became an Eligible Employee on or after January 1, 2006, the monthly pension shall be determined as consisting of (i) a benefit earned prior to 2006, based upon the provisions of the Plan applicable to Participants who are Tier I Eligible Employees, and (ii) a benefit earned after 2005, based upon the provisions of the Plan applicable to Participants who are Tier II Eligible Employees.

5.02. Delayed Retirement Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. Except as provided in subsection B, below, any Participant who ceases to be an Employee after the Participant's Normal Retirement Date shall be entitled to a Delayed Retirement Benefit, commencing on the Participant's Delayed Retirement Date, which shall be a monthly pension payable for life, with 120 payments guaranteed, equal to the greater of:
 - 1. 2% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, taking into account (i) all of the Participant's Years Of Credited Service earned and (ii) all of the Participant's Compensation paid, after the Participant's Normal Retirement Date; or

2. 2% of the Participant's Average Monthly Compensation as of the Participant's Normal Retirement Date multiplied by the Participant's Years Of Credited Service as of the Participant's Normal Retirement Date (i.e., without taking into account any Years Of Credited Service earned, or Compensation paid, after the Participant's Normal Retirement Date), increased by the Actuarial Equivalent of the Normal Retirement Benefit payments the Participant would have received during the period between the Participant's Normal Retirement Date and the Participant's Delayed Retirement Date if the Participant had retired on the Participant's Normal Retirement Date.
- B. Notwithstanding subsection A, above, for a Participant who ceases to be an Employee on or after December 1, 2005, a Participant's Delayed Retirement Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit calculated under subsection B or C of the Normal Retirement Benefit section, whichever is applicable, based upon the Participant's Average Monthly Compensation and Years Of Credited Service as of the Participant's Delayed Retirement Date.

ARTICLE 6. EARLY RETIREMENT BENEFITS

6.01. Eligibility For Early Retirement.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. Any Participant who ceases to be an Employee after having met the following requirements for an Early Retirement Benefit and before reaching Normal Retirement Age shall be entitled to an Early Retirement Benefit, calculated as set forth in the Calculation Of Early Retirement Benefit section, and commencing on the first day of the month next following such Participant's ceasing to be an Employee:
1. The Participant first became an Employee on or after March 1, 1967, is a Tier I Eligible Employee and has both attained age 55 and completed at least 5 Years Of Service;
 2. The Participant first became an Employee on or after March 1, 1967, is a Tier II Eligible Employee and has both attained age 55 and completed at least 5 Years Of Credited Service; or

3. The Participant has attained the age 55 and ceases to serve as a member of the Board Of Directors.

B. A Participant may elect to have the Participant's Early Retirement Benefit commence on the first day of any month from the Participant's Early Retirement Date to the Participant's Normal Retirement Date.

6.02. Calculation Of Early Retirement Benefit.

A Participant's Early Retirement Benefit shall be a monthly pension payable for life, with 120 payments guaranteed for Participants who are Tier I Eligible Employees only, equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, multiplied by the early retirement factor set forth below, or equal to the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service multiplied by the Participant's equivalent benefit rate set forth below, that corresponds to the age of the Participant on the date such benefit is to commence as follows:

Equivalent Benefit Rates	
Age Of Participant When Benefit Begins	Equivalent Benefit Rate
55	2.00%
56	2.15%
57	2.30%
58	2.45%
59	2.60%
60	2.75%

For purposes of determining the appropriate early retirement factor or equivalent benefit rate, age shall be computed to completed months, and the appropriate factor or rate will be determined by interpolation between the factor or rate indicated for the full year of age attained and the factor or rate for the next following year of age.

ARTICLE 7. DEFERRED VESTED BENEFITS

7.01. Vested Termination.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. A Participant shall be entitled to a Deferred Vested Benefit, calculated under the Calculation Of Deferred Vested Benefit section if the Participant ceases to be an Employee at a time when the Participant meets all of the following requirements:
1. The Participant is either:
 - a. A Tier I Eligible Employee and has completed at least 5 Years Of Service;
 - b. A Tier II Eligible Employee and has completed at least 5 Years Of Credited Service;
 - c. A member of the Board Of Directors, but not a Tier III Eligible Employee, and has completed at least 4 Years Of Service as a Director; or
 - d. A Tier III Eligible Employee who is a member of the Board Of Directors and has completed at least 5 Years Of Credited Service.
 2. The Participant is not eligible for an Early Retirement Benefit, a Normal Retirement Benefit, or a Delayed Retirement Benefit;
 3. The Participant is not Totally Disabled;
 4. The Participant's termination of employment with the District was not the result of the Participant's death; and
 5. The Participant elects (in the manner prescribed by the Committee or its designee) to leave the Participant's Accumulated Required Contributions in the Trust.
- B. A Participant may elect to have the Participant's Deferred Vested Benefit commence on the first day of any month from the month after the month the Participant attains age 55 to the Participant's Normal Retirement Date.

7.02. Calculation Of Deferred Vested Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. A Participant's Deferred Vested Benefit shall be a monthly pension payable for life, with 120 payments guaranteed, equal to 2% of the Participant's Average Monthly Compensation on the date on which the Participant ceases to be an Employee multiplied by the Participant's Years Of Credited Service on such date. Notwithstanding the foregoing, effective for Deferred Vested Benefits that commence on or after December 1, 2005, a Participant's Deferred Vested Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, based upon the Participant's Average Monthly Compensation and Years Of Credited Service on the date on which the Participant ceases to be an Employee.
- B. If a Participant elects to have the Participant's Deferred Vested Benefit commence prior to the Participant's Normal Retirement Date, the amount payable shall be the amount set forth in the preceding paragraph multiplied by the reduction factor set forth below that corresponds to the age of the Participant on the date on which such Benefit is to commence:

1. For a Participant who ceases to be an Eligible Employee prior to December 1, 2005:

Reduction Factors	
Age	Factor
55	.5784
56	.6230
57	.6719
58	.7255
59	.7845
60	.8493
61	.9209
62	1.0000

2. For a Participant who ceases to be an Eligible Employee on or after December 1, 2005:

Reduction Factors	
Age	Factor
55	.6811
56	.7336
57	.7911
58	.8543
59	.9237
60	1.0000

For purposes of determining the appropriate reduction factor, age shall be computed to completed months, and the appropriate factor will be determined by interpolation between the factor indicated for the full year of age attained and the factor for the next following year of age.

7.03. Benefits If Required Contributions Are Withdrawn.

A Participant who is entitled to a Deferred Vested Benefit under this article may elect to withdraw the Participant's Accumulated Required Contributions from the Plan at any time prior to the date such benefit is to commence. If such a withdrawal is made, the Participant shall not be entitled to any other benefit under the Plan.

ARTICLE 8. DISABILITY RETIREMENT BENEFITS

8.01. Disability Retirement.

Except as provided in the Retirement Benefit For Tier III Participants section, any Participant, other than a Participant who is a Tier III Eligible Employee, who is Totally Disabled shall be entitled to a Disability Retirement Benefit, calculated under the Calculation Of Disability Retirement Benefit section and commencing in accordance with whichever of the following rules is applicable:

- A. Except as provided in subsection C, if the Participant is eligible for or receiving benefits under the District's Long-Term Disability Income Plan, the Participant's Disability Retirement Benefit may not commence until the earlier of the Participant's Normal Retirement Date or the date benefits under such Long-Term Disability Plan cease;
- B. Except as provided in subsection C, if the Participant is not eligible for and not receiving benefits under the District's Long-Term Disability Income Plan, the Participant's Disability Retirement

Benefit may commence on the first day of any month after the month in which the Participant becomes Totally Disabled to the Participant's Normal Retirement Date, regardless of the Participant's age or Years Of Service; or

- C. Effective as of January 1, 1994, notwithstanding subsections A and B, any Participant who is entitled to a Disability Retirement Benefit and who has completed at least 5 Years Of Service may elect to have such benefit commence on the first day of any month between:
 - 1. The later of the month in which the Participant becomes Totally Disabled or the month the Participant reaches age 55; and
 - 2. The Participant's Normal Retirement Date.

8.02. Calculation Of Disability Retirement Benefit.

- A. A Participant's Disability Retirement Benefit shall be a monthly pension payable for life, with 120 payments guaranteed, equal to 2% of the Participant's Average Monthly Compensation on the date payments are to commence multiplied by the Participant's Years Of Credited Service on such date. Notwithstanding the foregoing, effective for Disability Retirement Benefits which commence on or after December 1, 2005, a Participant's Disability Retirement Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, based upon the Participant's Average Monthly Compensation and Years Of Credited Service on the date payments of the Disability Retirement Benefit are to commence.
- B. Notwithstanding any other provision of the Plan to the contrary, in determining the amount of any Participant's Disability Retirement Benefit, the Participant's "Average Monthly Compensation" shall be computed by assuming that the Participant received Compensation from the date on which the Participant became Totally Disabled to the date Disability Retirement Benefit payments are to commence at a monthly rate equal to 100% of the Participant's average monthly Compensation for the 12 months immediately preceding the month during which the Participant became Totally Disabled.
- C. If a Participant elects to have the Participant's Disability Retirement Benefit commence prior to the Participant's Normal Retirement Date (in accordance with the Disability Retirement section), the

amount of such benefit shall be equal to the amount otherwise payable under the preceding provisions of this section multiplied by the early retirement factor, or by using the equivalent benefit rate, whichever is applicable, determined under the Early Retirement Benefits section, that corresponds to the Participant's age on the date payments are to commence.

8.03. Recovery Of Disabled Participants.

- A. If a Participant who is Totally Disabled recovers prior to the Participant's Normal Retirement Date, payment of the Participant's Disability Retirement Benefit shall cease. Such Participant shall thereafter be entitled to any other Retirement Benefit for which the Participant is (or may become) eligible under the other provisions of the Plan, but any such Benefit shall be reduced by the Actuarial Equivalent of the Disability Retirement Benefits the Participant had received prior to recovery.
- B. The Committee or its designee shall determine whether a Participant has recovered from a Total Disability on the basis of competent medical evidence certified by a physician chosen (or approved) by the Committee or its designee, and such determination shall be conclusive and binding on all interested parties.

ARTICLE 9. DEATH BENEFITS

9.01. Death Before Completing Required Service.

Except as provided in the Death Before Benefits Commence section, if either (i) a Participant who is a Tier I Eligible Employee dies before the Participant has completed at least 5 Years Of Service, or (ii) a Participant who is either a Tier II Eligible Employee or a Tier III Eligible Employee, dies before the Participant has completed at least 5 Years Of Credited Service, an amount equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of death, shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the Participant's death, and no other benefit shall be payable under the Plan to the Participant's Beneficiary.

9.02. Death Before Benefits Commence.

If a Participant who is either (i) a Tier I Eligible Employee, who has completed at least 5 Years Of Service, or (ii) a Tier II Eligible Employee or a Tier III Eligible Employee, who has completed at least 5 Years Of

Credited Service, dies before the date on which the Participant's Retirement Benefit is to commence, a death benefit shall be payable under subsection A or B, below, whichever is applicable:

- A. If the Participant is not married on the date of the Participant's death, the death benefit payable under this section shall be determined under whichever of the following rules is applicable:
 - 1. If the Participant was not a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall consist of a single sum payment equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of the Participant's death, and no other death benefit shall be available to the Participant's Beneficiary. This death benefit shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the date of death.
 - 2. If the Participant was a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall be a single sum equal to the greater of:
 - a. The death benefit described in paragraph 1, above, which shall be payable on or as soon as practicable after the first day of the month following the Participant's death; or
 - b. Either (i) if the Participant had not filed an Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the post-death benefit portion of the Normal Retirement Benefit (i.e., 120 guaranteed payments), or (ii) if the Participant had filed an Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the Actuarial Equivalent of the Alternative Death Benefit, either of which shall be payable on or as soon as practicable after the first day of the month following the date the Participant would have attained age 55.
 - 3. Notwithstanding the foregoing, the Beneficiary may elect to defer commencement of benefits, but in no event later than the date the Participant would have attained Normal Retirement Age.

- B. If the Participant is married on the date of the Participant's death, the death benefit payable under this section shall be determined under whichever of the following rules is applicable:
1. Except as otherwise provided below, if the Participant was not a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall consist of a single sum payment equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of the Participant's death, and no other death benefit shall be available to the Participant's Beneficiary. This death benefit shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the date of death.
 2. If the Participant was a Qualifying Participant and age 55 or older and qualified for retirement on the date of the Participant's death, then:
 - a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit, commencing on the first day of the month in which the Participant died and (ii) the Participant had lived until the day after the Participant's Retirement Benefit commenced.
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.
 - c. The benefit payable under this paragraph shall commence on the first day of the month following the month in which the Participant dies.
 3. If a Qualifying Participant was under age 55 and an Employee on the date of the Participant's death, then:

- a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had ceased to be an Employee on the date the Participant died, (ii) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit, commencing on the first day of the month next following the date the Participant attains age 55, and (iii) the Participant had lived until the day after the Participant's Retirement Benefit commenced.
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.
 - c. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
4. If the Participant was under age 55 and a Qualifying Participant, but not an Eligible Employee, on the date of the Participant's death, then:
- a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be the benefit described in paragraph 2 above, substituting the phrase "50% survivor benefit, with no applicability of the Cost-Of-Living Increases section, to the survivor benefit" for the phrase "100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit."
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee

prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.

- c. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
- 5. If the Participant was age 55 or older and not an Employee nor qualified for retirement on the date of the Participant's death, the surviving spouse's benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 50% survivor benefit commencing on the first day of the month in which the Participant died and (ii) the Participant had lived until the day after the Participant's Retirement Benefit commenced. The benefit payable under this paragraph shall commence on the first day of the month following the month in which the Participant dies.
 - 6. If the Participant was under age 55, but not a Qualifying Participant, on the date of the Participant's death, the surviving spouse's benefit shall be the benefit described in subparagraph 4a, above, and no Alternative Death Benefit shall be available. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
 - 7. Notwithstanding the foregoing, the spouse may elect to defer commencement of benefits, but in no event later than the date the Participant would have attained Normal Retirement Age.
- C. For purposes of calculating the death benefit payable under this section, the factors described in the Early Retirement Benefit section shall be used.

9.03. Death After Benefits Commence.

If a Participant dies after payment of the Participant's Retirement Benefit has commenced, any death benefit payable under the Plan will be determined by the form in which the Participant's Retirement Benefit was being paid, subject to the provisions of the Minimum Death Benefit

section. Notwithstanding the preceding sentence, if a former Participant's Retirement Benefit was being paid in a form that guarantees payments for a period certain (i.e., 120, 180 or 240 months) and the Participant dies before having received such guaranteed number of payments, the Participant's Beneficiary may elect, within 90 days after proof of death has been provided to the Committee or its designee to receive a lump sum payment equal to the net present value of the remaining number of guaranteed monthly payments calculated using an interest assumption of 3% compounded annually. If the Participant designated no Beneficiary or if the Beneficiary designated by the Participant predeceased the Participant, the net present value of the remaining number of guaranteed monthly payments calculated using an interest assumption of 3% compounded annually shall be paid in a single sum to the Participant's Beneficiary within 90 days after proof of death has been provided to the Committee or its designee.

9.04. Alternative Death Benefit Election.

Upon forms approved by the Committee or its designee, and subject to the restrictions set forth in the Optional Forms Of Benefit Available section, with respect to certain survivor benefits, each Participant may elect an Alternative Death Benefit by filing such an election with the Committee or its designee prior to the Participant's death. If no such election has been filed with the Committee or its designee prior to the Participant's death, the Participant shall be treated as not having made such an election.

9.05. Designation Of Beneficiary.

- A. Upon forms approved by the Committee or its designee, and subject to the restrictions set forth in the Optional Forms Of Benefit Available section, with respect to certain survivor benefits, each Participant shall designate in writing the Beneficiary or Beneficiaries whom such Participant desires to receive any benefits payable under the Plan in the event of such Participant's death. A Participant may from time to time change the Participant's Beneficiary or Beneficiaries without the consent of such Beneficiary or Beneficiaries by filing a new Beneficiary designation, on a form approved by the Committee or its designee, with the Committee or its designee.
- B. If a married Participant wishes to designate a person other than the Participant's spouse as Beneficiary, such designation shall be consented to in writing by the spouse, which consent shall acknowledge the effect of the designation and be witnessed by a

Plan representative or a notary public. The Participant may change any election designating a Beneficiary or Beneficiaries without any requirement of further spousal consent if the spouse's consent so provides. Notwithstanding the foregoing, spousal consent shall be unnecessary if it is established (to the satisfaction of a Plan representative) that there is no spouse or that the required consent cannot be obtained because the spouse cannot be located.

- C. The District, the Committee, its designee, and the Trustee may rely upon a Participant's designation of Beneficiary or Beneficiaries last filed in accordance with the terms of the Plan.
- D. Upon the dissolution of marriage of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless (i) after the dissolution of marriage, the Participant executes another Beneficiary designation that complies with this section and that clearly names such former spouse as a Beneficiary, or (ii) a court order presented to the Committee or its designee prior to distribution on behalf of the Participant explicitly requires the Participant to continue to maintain the former spouse as the Beneficiary. In any case in which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.
- E. If, upon the death of a Participant, there is no valid designation of Beneficiary on file with the Committee or its designee, or the Participant's Beneficiary is not alive, the Committee or its designee shall designate as the Beneficiary, in order of priority:
 - 1. The surviving spouse;
 - 2. The surviving children, including adopted children, in equal shares, or their issue, by right of representation;
 - 3. Surviving parents, in equal shares; or
 - 4. The Participant's heirs at law.

The determination of the Committee or its designee as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons, but the Committee or its

designee may seek a declaratory judgment of a court of competent jurisdiction to determine the identity of Beneficiaries and their respective interests.

9.06. Minimum Death Benefit.

If the total amount paid to a Participant and the Participant's Beneficiary (if any) under the preceding sections of this article is less than the sum of the Participant's Accumulated Required Contributions (determined as of the date the Participant's Retirement Benefit payments commenced), a death benefit shall be paid to the heirs of the last survivor of the former Participant and the Participant's Beneficiary, if any. This death benefit shall consist of a single sum payment equal to the excess of the sum of the former Participant's Accumulated Required Contributions (determined as of the date the Participant's Retirement Benefit payments commenced) over the total amount paid to the former Participant or the Participant's Beneficiary (if any) under the preceding provisions of this article.

9.07. Required Minimum Distributions Of Death Benefits.

A. General Rules.

1. The requirements of this section take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.
2. All distributions required under this section will be determined and made in accordance with the regulations under Code section 401(a)(9) and the Treasury regulations promulgated thereunder.
3. Death and other nonretirement benefits payable under the Plan shall be incidental to the primary purpose of the Plan. Thus, distributions to the Participant under the Plan shall be in sufficient amounts so that the relationship of a Participant's total benefits under the Plan to the deferred compensation payable to the Participant under the Plan is such that the primary purpose of the Plan is to provide deferred compensation to the Participant, all as required by Code section 401(a)(9)(G) and the Treasury regulations promulgated thereunder.

B. Participant Dies Before Distributions Begin.

1. If the Participant dies before distributions begin and there is a Designated Beneficiary, the Participant's entire interest will be distributed, or begin to be distributed, as follows:
 - a. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the later of (i) the calendar year immediately following the calendar year in which the Participant died or (ii) the calendar year in which the Participant would have attained either:
 - (1) Age 70-1/2 if the Participant attained age 70-1/2 on or before December 31, 2019; or
 - (2) Age 72 if the Participant attains age 70-1/2 after December 31, 2019.
 - b. If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - c. The Participant's entire interest will be distributed, beginning no later than the time described in subparagraph a or b, above, over the life of the Designated Beneficiary or over a period certain not exceeding:
 - (1) Unless the annuity starting date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
 - (2) If the annuity starting date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined

using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

d. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant, but before distributions to the surviving spouse begin, this paragraph 1, other than subparagraph a, will apply as if the surviving spouse were the Participant.

2. If the Participant dies before distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

C. Participant Dies After Distributions Begin.

If distribution has been commenced to the Participant and the Participant dies before the Participant's entire interest has been distributed, then the remaining portion of the Participant's interest, if any, shall be distributed at least as rapidly as under the method of distributions being utilized as of the date of the Participant's death.

ARTICLE 10. ADMINISTRATION OF THE PLAN

10.01. Plan Administration.

The administration of the Plan is vested in the Board Of Directors. Except as to appointments to the Committee, the Board Of Directors may delegate to the Committee the authority to perform any act in the government and administration of the Plan within the power of the Board Of Directors itself to perform. In the instance of any such delegation of authority, the Committee may act finally, except where the Board Of Directors in making the delegation provides that the act of the Committee shall be reported to the Board Of Directors at its next regular meeting for review and ratification, amendment or reversal.

10.02. General Administration Of The Plan.

A. The general administration of the Plan is delegated to the Committee, which shall be the "plan administrator" for purposes of

the Code. The Committee shall serve at the pleasure of the Board Of Directors. The Committee shall consist of ten individuals: two members of the Board Of Directors, the General Manager of the District, an Employee who serves as chief financial officer of the District, either an Employee who serves as legal counsel to the District or outside legal counsel to the District, an Employee who serves as chief human resources manager of the District, an Employee employed in the Utility Services and Maintenance bargaining unit, an Employee employed in the Administrative, Technical and Clerical bargaining unit, an Employee employed in the Professional and Supervisory bargaining unit, and an Employee employed in the Management and Confidential bargaining unit.

- B. The International Brotherhood of Electrical Workers, Local 1245, as the exclusive representative for Employees in the Utility Services and Maintenance bargaining unit, the Administrative, Technical and Clerical bargaining unit, and the Professional and Supervisory bargaining unit, shall submit (i) the name of one Employee to represent Employees in the Utility Services and Maintenance bargaining unit, (ii) the name of one Employee to represent Employees in the Administrative, Technical and Clerical bargaining unit, and (iii) the name of one Employee to represent Employees in the Professional and Supervisory bargaining unit. The Modesto Irrigation District Employee Association, as the exclusive representative for Employees in the Management and Confidential bargaining unit, shall submit the name of one Employee to represent Employees in the Management and Confidential bargaining unit. The Committee will approve one member from each bargaining unit. Names of approved Employees will be submitted to the Board Of Directors for appointment.
- C. Any member of the Committee may resign by delivering the member's written resignation to the Board Of Directors and the Committee. Vacancies on the Committee shall be filled by the Board Of Directors.
- D. The Board Of Directors shall notify the Trustee of the names of the members of the Committee.
- E. A majority of the Committee shall constitute a quorum for the transaction of business, and a majority of those present at any duly called and noticed meeting may act for the Committee.

- F. The ministerial administration of the Plan shall be by the Plan Administrator. The duties of the Plan Administrator shall include, but are not limited to:
1. To act as Secretary to the Committee;
 2. To act as advisor to the Committee in all matters related to the administration of the Plan;
 3. To supervise the clerical and technical employees of the District in all activities which are related to the administration of the Plan; and
 4. To perform all administrative functions of the Plan which are requested by the Committee that are consistent with the terms and provisions of the Plan.

10.03. Powers Of The Committee.

Subject to the limitations of the terms of the Plan, the Committee may from time to time establish rules for the performance of its functions and the administration of the Plan. The Committee shall have all powers necessary to supervise the administration of the Plan and control its operations in accordance with its terms, including, but not by way of limitation, the following powers:

- A. To construe and interpret the terms and provisions of the Plan, and to resolve any questions arising under the Plan or in connection with the administration or operation thereof;
- B. To determine whether any Employee is, or is eligible to become, a Participant in the Plan;
- C. To determine the Credited Service, the Period Of Service, the Years Of Service, and the Years Of Credited Service of any Participant, and to compute the amount of any Retirement Benefit or other sum payable to any person under the Plan;
- D. To authorize and direct all disbursements of Retirement Benefits and other sums under the Plan;
- E. To make, at reasonable intervals, an analysis of the funding requirements of the Plan for the payment of Retirement Benefits and expenses, based on reasonable actuarial assumptions and methods which take into account the experience of the Plan and

reasonable expectations, and on the basis of this analysis, to establish a funding policy for the Plan;

- F. To adopt, from time to time, with the advice of the Actuary, such mortality and other tables as it may deem necessary or appropriate in connection with the operation and administration of the Plan;
- G. To determine, with the advice of the Actuary, the liabilities of the Plan;
- H. To ensure that the Plan complies with any reporting and disclosure requirements imposed under federal law or by any State or local government;
- I. To establish appropriate procedures to prevent the Plan from engaging in any "prohibited transaction" described in Code section 503(b) or 4975, or similar prohibited transactions as set forth under State or local law;
- J. To ensure that any bonding requirements imposed under federal law, or by any State or local government, are satisfied;
- K. To employ such counsel and agents, and to obtain such clerical, medical, legal and actuarial services, as it may deem necessary or appropriate in carrying out the provisions of the Plan;
- L. To act on behalf of the Board Of Directors with respect to the investment of the assets of the Plan including, but not limited to, (i) establishing the funding policy for the Plan, (ii) reviewing the investments and allocations made by the Plan's investment advisor to ensure they adhere to the "Investment Policy Guidelines," (iii) selecting, appointing, monitoring and replacing the Trustee, subject to approval of the agreement with the Trustee by the Board of Directors, (iv) selecting, appointing, monitoring and replacing the investment advisor, subject to approval of the agreement with the investment advisor by the Board of Directors, (v) selecting, appointing, monitoring and replacing investment managers to invest the assets of the Plan to the extent not performed by the investment advisor, and (vi) allocating the assets of the Plan among the investment managers selected to the extent not performed by the investment advisor; and
- M. To designate any person as its agent for any purpose pursuant to which the designated representative of the Committee shall be

responsible only for those specific powers, duties, responsibilities and obligations specifically given to it by the Committee.

The Committee shall have full discretion in making its decisions and determinations, and they shall be conclusive and binding on all interested parties, except as otherwise provided by law.

10.04. Procedure For Review And Denial Of Benefits.

Any person whose claim for benefits under the Plan is denied, in whole or in part, shall receive a written notice from the Committee or its designee setting forth the specific reasons for such denial, specific references to the Plan provisions on which the denial was based, and an explanation of the procedures for review of the denial. Such person, or such person's duly authorized representative, may appeal to the Committee or its designee for a review of the denial by sending to the Committee or its designee a written request for review within 60 days after receiving notice of the denial. The Committee or its designee shall give the claimant the opportunity to review pertinent Plan documents in preparing a request for review. A request for review shall set forth all grounds on which it is based, together with any supporting facts and evidence which the claimant deems pertinent. The Committee or its designee may require the claimant to submit such additional facts, documents, or other material as it deems necessary or advisable in making its review of the initial denial of the claim. Within 60 days after its receipt of a request for review, the Committee or its designee shall communicate its decision to the claimant in writing, and if the Committee or its designee confirms the denial, in whole or in part, such communication shall set forth the reasons for the decision and specific references to the Plan provisions on which the decision was based.

10.05. Facility Of Payment.

If any person to whom any payment is due under the Plan shall be a minor, or shall be or become, in the judgment of the Committee or its designee, physically or mentally incompetent, the Committee or its designee shall have the right to determine to whom such payment shall be made for the benefit of such person. Written acknowledgement of receipt by the person to whom any such payment is made shall be a complete discharge of the obligation of the Plan for any sum so paid.

10.06. Information To Be Given To Participants.

A. Each Participant shall be advised of the general provisions of the Plan, and upon written request addressed to the Committee or its

designee, shall be furnished with full information, within the purview of the Participant's question, regarding the Participant's status, rights and privileges under the Plan. The Committee or its designee shall also make a copy of this Plan available for examination by Participants at the principal office of the District.

- B. If a Participant ceases to be an Employee, or has a Break-In-Service, the Committee or its designee shall furnish such Participant with a statement of the amount of the Participant's accrued Retirement Benefit, the percentage of such Benefit that is payable to the Participant, and the date on which Retirement Benefit payments will (or may) commence. On an annual basis, the Committee or its designee will furnish each Participant who so requests a statement containing the same information as that given to Participants who cease to be Employees.

10.07. Compensation And Expenses Of The Committee.

The members of the Committee shall serve without compensation for service as such, but all reasonable expenses of the Committee, including the compensation of accountants, advisers, actuaries and attorneys, and other costs of administering the Plan, shall be paid by the Trust.

10.08. Recovery Of Overpayment Of Benefits.

By accepting payment of benefits under this Plan, the Participant or Beneficiary receiving the payment agrees that, in the event of overpayment, the Participant or Beneficiary will promptly repay the amount of overpayment without interest upon notice by the Committee or its designee; provided that, if the Participant or Beneficiary has not repaid the overpayment within thirty (30) days after notice:

- A. The Participant or Beneficiary will also pay an amount equal to simple interest at the rate of ten percent (10%) per annum (or the highest rate allowable, if less) on the unpaid amount from the date of overpayment to the date of repayment, and in addition will pay all legal fees, court costs and the reasonable time value of the District, the Committee or its designee, the Plan Administrator, or the Trustee, or any of their employees or agents, related to the collection of such overpayment; and
- B. The Committee or its designee shall arrange to recover the amount of such overpayment from any amount then payable, or that may become payable, to the Participant or Beneficiary under the Plan.

10.09. Employee Plans Compliance Resolution System.

In accordance with the requirements of the Employee Plans Compliance Resolution System (EPCRS) as described in Rev. Proc. 2021-30 and any subsequent guidance, the Plan Administrator has the authority to correct any Plan document, operational, demographic and Employer eligibility failures through self-correction (if applicable) or voluntary correction with Internal Revenue Service approval.

ARTICLE 11. RETIREMENT BENEFITS AND RIGHTS INALIENABLE

11.01. Prohibition Against Assignment Or Other Alienation.

Except in accordance with a Qualified Domestic Relations Order:

- A. The benefits provided by this Plan shall not be assigned, transferred, mortgaged, pledged, hypothecated or otherwise alienated by any Participant or Beneficiary, and neither the District nor the Trustee shall recognize any attempted assignment, transfer, mortgage, pledge, hypothecation or other alienation by any Participant or Beneficiary of all or any part of the Participant's or Beneficiary's interest hereunder; and
- B. The interest of any Participant or Beneficiary in any benefits provided hereunder shall not be subject in any manner to transfer by operation of law, and shall be exempt from the claims of creditors or other claimants under any order, decree, levy, garnishment, execution or other legal or equitable process or proceeding, to the fullest extent permitted by law.

11.02. Payments Under A Qualified Domestic Relations Order.

Notwithstanding the preceding section, the Committee or its designee shall direct the Trustee to distribute specified amounts to an alternate payee in the form and at the times specified by a Qualified Domestic Relations Order. Payments may commence at the earliest of:

- A. The date on which the Participant is entitled to receive a distribution under the Plan;
- B. The date the Participant attains age 50, if so ordered by a Qualified Domestic Relations Order filed on or before December 31, 1999;
or

- C. The date the Participant meets the age and service requirements for an Early Retirement Benefit under the Early Retirement section, if so ordered by a Qualified Domestic Relations Order filed on or after January 1, 2000.

11.03. Felony Convictions And Forfeitures.

In accordance with, but only to the extent required by, California Government Code sections 7522.70, 7522.72 and 7522.74 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:

- A. A "Felony Conviction" shall have occurred if (i) a Participant is convicted by a State or federal trial court of any felony under State or federal law for conduct arising out of or in the performance of the Participant's official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, or (ii) a Participant who has contact with children as part of the Participant's official duties is convicted of a felony that was committed within the scope of the Participant's official duties against or involving a child with whom the Participant has contact as part of the Participant's official duties.
- B. From and after the date of the Felony Conviction, the Participant shall not accrue further benefits under the Plan. Further, the Participant shall forfeit all accrued rights and benefits earned or accrued under the Plan from the earliest date of the commission of any felony for which the Participant receives a Felony Conviction to the date of such conviction, inclusive. The Participant's rights and benefits under the Plan shall remain forfeited notwithstanding any reduction in sentence or expungement of the Felony Conviction following the date of the Participant's Felony Conviction. Unless otherwise ordered by a court or determined by the Plan Administrator, the Participant's contributions to the Plan made on or after the earliest date of the commission of any felony described in this provision shall be returned to the Participant, without interest, by electronic funds transfer to an account of the Participant upon the occurrence of the earlier of the date (i) the Participant ceases to be an employee of the District, (ii) the Participant dies, or (iii) the Participant retires.
- C. If the Participant's Felony Conviction is reversed and that decision is final, the Participant shall be entitled to either (i) recover the forfeited rights and benefits as adjusted for the Participant's contributions returned to the Participant or (ii) redeposit those

contributions and interest that would have accrued during the forfeiture period, as determined by the Plan actuary, and then recover the full amount of the forfeited rights and benefits.

ARTICLE 12. AMENDMENT AND TERMINATION

12.01. Amendment.

- A. The Board Of Directors reserves the right to amend the Plan at any time and for any reason, in whole or in part, including (without limitation) retroactive amendments necessary or advisable to maintain the qualification of the Plan under the provisions of Code section 401(a). However, no such amendment shall:
 - 1. Cause any part of the assets of the Plan to revert to, or be recoverable by, the District, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants, former Participants and their Beneficiaries and paying the reasonable expenses of administering the Plan, other than as provided for in the Funds Not Recoverable By The District – Exceptions section;
 - 2. Deprive any Participant, former Participant or Beneficiary of any benefit already vested, or decrease any Participant's accrued Retirement Benefit, except to the extent that such amendment may be necessary to permit the Plan to qualify under Code section 401(a) or to satisfy applicable California law; or
 - 3. Alter, change or modify the duties, power or liabilities of the Trustee without the Trustee's written consent.
- B. Notwithstanding any other provision of the Plan to the contrary, if there is a scrivener's error in properly transcribing the provisions of this Plan, it shall not be a violation of the Plan terms to operate the Plan in accordance with its proper provisions, rather than in accordance with the term of the Plan, pending correction of the Plan through amendment. In addition, any provisions of the Plan improperly added as a result of scrivener's error shall be considered null and void as of the date such error occurred.

12.02. Enhancements Applicable Only To Future Service.

In accordance with, but only to the extent required by, California Government Code section 7522.44 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, any enhancement to a Participant's retirement formula or retirement benefit adopted on or after January 1, 2013 shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement. Similarly, if a change to a Participant's retirement membership classification or a change in employment results in an enhancement in the retirement formula or retirement benefit applicable to that Participant, that enhancement shall apply only to service performed on or after the operative date of the change and shall not be applied to any service performed prior to the operative date of the change. An increase to a retiree's annual cost-of-living adjustment within existing statutory limits shall not be considered to be an enhancement to a retirement benefit under this provision.

12.03. Termination Or Partial Termination.

- A. The District has established the Plan with the bona fide intention and expectation that it will be continued indefinitely. However, the District shall not be under any obligation or liability to continue its contributions to the Plan, or to otherwise maintain the Plan, for any given length of time. The Board Of Directors, in its sole and absolute discretion, may discontinue the District's contributions to the Plan, or terminate or partially terminate the Plan, at any time and for any reason, without any liability for such discontinuance or termination.
- B. If the Plan is terminated or partially terminated, the rights of all affected Participants in their benefits accrued to the date of such termination or partial termination shall thereupon become 100% vested and nonforfeitable, notwithstanding any other provision of the Plan to the contrary.
- C. In the event of the termination or partial termination of the Plan, the Trust shall be continued until all accrued Retirement Benefits (to the extent funded) have been paid in accordance with the provisions of the Plan. After all liabilities of the Plan to Participants, former Participants and their Beneficiaries have been satisfied, any residual assets remaining in the Trust shall be returned to the District.

ARTICLE 13. MISCELLANEOUS

13.01. Rights And Remedies Limited.

No person shall have any legal or equitable right or claim against the District, the Committee or its designee, the Plan Administrator, or the Trustee, unless such right or claim is specifically provided in (or by) the Plan. No interested party may bring any action in any court on any matter arising out of this Plan, until the claims and review procedure provided herein has been exhausted.

13.02. No Employment Rights Created.

Neither the establishment of the Plan, the granting of a Retirement Benefit, nor any action of the District or the Committee or its designee shall be held or construed to confer upon any person any right to be continued as an Employee, nor, upon dismissal, to any right or interest in the funds held by the Trustee other than as provided herein. The District expressly reserves the right to discharge any Employee at any time.

13.03. Merger; Transfer Of Assets.

- A. If the District merges or consolidates with or into another organization or if substantially all of the assets of the District shall be transferred to another organization, this Plan shall terminate on the effective date of such merger, consolidation or transfer. However, if the surviving organization resulting from such merger or consolidation, or the organization to which such assets have been transferred, adopts this Plan, the Plan shall continue and said organization shall succeed to all rights, powers and duties of the District hereunder. The employment of any Employee who is continued in the employ of such successor organization shall not be deemed to have terminated for any purpose hereunder.
- B. In no event shall this Plan be merged or consolidated with any other plan qualified under Code section 401(a), nor shall there be any transfer of assets or liabilities from this Plan to any other such plan, unless immediately after such merger, consolidation or transfer, each Participant's benefits, if such other plan were then to terminate, are at least equal to the benefits to which the Participant would have been entitled had this Plan been terminated immediately before such merger, consolidation, or transfer.

13.04. Unenforceable Provisions.

If any provision of this Plan shall, for any reason, be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall nevertheless continue to be fully effective and carried into effect, unless the effect of so doing would be to alter materially or defeat the purposes thereof.

13.05. Applicable Law And Construction.

The Plan shall be construed, administered and governed in all respects in accordance with the laws of the State of California; provided, however, that if any provision of the Plan is susceptible of more than one interpretation, the interpretation given thereto shall be consistent with the Plan being a "qualified" pension plan within the meaning of Code section 401(a).

13.06. Headings.

The headings of the provisions of this Plan are inserted for convenience or reference only, and are not to be considered in the construction of the provisions hereof.

13.07. Gender And Number.

Whenever a personal pronoun is used in the masculine gender, it shall be deemed to include the feminine also, and the singular shall include the plural, unless the context indicates the contrary.

13.08. Amendment Of Laws.

All references to sections of the Code or any regulations or rulings thereunder shall be deemed to refer to such sections as they may subsequently be modified, amended, replaced or amplified by any federal statutes, regulations or rulings of similar application and importance.

13.09. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

13.10. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

13.11. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this 27 day of October, 2022.

Modesto Irrigation District

By: 
Title: John Mensinger
President
MID Board President

RESOLUTION 2022-46

APPROVING AND AUTHORIZING THE BOARD PRESIDENT TO EXECUTE THE AMENDED AND RESTATED MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM BASIC RETIREMENT PLAN, SUPPLEMENTAL RETIREMENT PLAN, DEFERRED COMPENSATION PLAN, AND RETIREE MEDICAL BENEFITS PLAN

WHEREAS, the Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan (Plans) have been amended and restated to clarify language, remove extraneous inapplicable language, conform to statutory/regulatory requirements, and incorporate amendments into the body of the documents for the effective administration of the Plans; and

WHEREAS, the Plans have been amended and restated to reflect changes which the District has determined are necessary or desirable; and

WHEREAS, on October 19, 2022, the Retirement Committee, by Retirement Committee Resolution 2022-02, authorized and directed staff to recommend to the Board of Directors of the Modesto Irrigation District approval and execution of the amended and restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan.

BE IT RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby approve the Amended and Restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan.

BE IT FURTHER RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby authorize the Board President to execute the amended and restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan on behalf of the District.

Moved by Director Gilman, seconded by Director Campbell, that the foregoing resolution be adopted.

The following roll call vote was had:

Ayes: Directors Campbell, Gilman and Mensinger

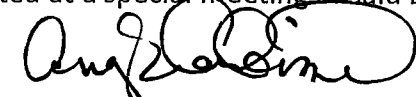
Noes: Director None

Absent: Directors Blom and Byrd

President Mensinger declared the resolution adopted.

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I, Angela Cartisano, Board Secretary of the Modesto Irrigation District, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of said Board of Directors held the twenty-fifth day of October 2022.



Board Secretary of the
Modesto Irrigation District

**AMENDMENT TO THE
MODESTO IRRIGATION DISTRICT
RETIREMENT SYSTEM
BASIC RETIREMENT PLAN**

This Amendment to the Modesto Irrigation District Retirement System Basic Retirement Plan (Plan) is adopted by Modesto Irrigation District (District).

RECITALS

Whereas:

- A. The District originally established the Basic Retirement Plan for Employees of the Modesto Irrigation District effective as of March 1, 1951, and the Plan has been amended and restated from time to time thereafter.
- B. Effective as of January 1, 2004, the name of the Plan was changed to "Modesto Irrigation District Retirement System Basic Retirement Plan," and the Plan was made a part of the Modesto Irrigation District Retirement System.
- C. The Plan was amended and restated effective as of January 1, 2013, in part to incorporate into a single plan document the amendments that reflected the requirements of the California Public Employees' Pension Reform Act of 2013 (PEPRA) with respect to so-called "New Participants."
- D. The Plan was most recently amended and restated effective as of January 1, 2022.
- E. The District has determined that (i) a provision in the 2013 version of the Plan regarding New Participants was inadvertently omitted from the 2022 version of the Plan regarding such participants (who are now referred to as "Tier III" participants), (ii) a provision that should have been omitted from the 2022 version of the Plan as extraneous inadvertently remained in the 2022 version of the Plan, and (iii) some references to a table no longer set forth in the plan were inadvertently not eliminated from the 2022 version of the Plan.
- F. Section 12.01 of the 2022 version of the Plan gives the District the ability to amend the Plan, to include correcting any "scrivener's error," and to operate the Plan in accordance with its proper provisions pending correction of a "scrivener's error."
- G. The District now wishes to amend the 2022 version of the Plan to (i) add the inadvertently omitted provision from the 2013 version of the Plan, (ii) eliminate the inadvertently included provision, and (iii) eliminate the incorrect references to the eliminated table, effective as of the effective date of the 2022 version of the Plan (i.e., January 1, 2022).

OPERATIVE PROVISIONS

In accordance with the foregoing recitals, the District hereby amends the Plan as follows effective as of January 1, 2022:

1. Paragraph 3 of subsection A of section 6.01, "Eligibility For Early Retirement," is amended and restated to read as follows:

3. *The Participant is a Tier III Eligible Employee who ceases to be an Employee or ceases to serve as a member of the Board Of Directors and has both attained age 60 and completed at least 5 Years Of Credited Service.*

2. The first paragraph of section 6.02, "Calculation Of Early Retirement Benefit," is amended and restated to read as follows:

A Participant's Early Retirement Benefit shall be a monthly pension payable for life, with 120 payments guaranteed for Participants who are Tier I Eligible Employees only, equal to the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service multiplied by the Participant's equivalent benefit rate set forth below that corresponds to the age of the Participant on the date such benefit is to commence as follows:

3. The second paragraph of section 6.02, "Calculation Of Early Retirement Benefit," is amended and restated to read as follows:

For purposes of determining the appropriate equivalent benefit rate, age shall be computed to completed months and the appropriate rate will be determined by interpolation between the rate indicated for the full year of age attained and the rate for the next following year of age.

All other provisions of the Plan as in effect prior to this Amendment shall remain unchanged by this Amendment.

Executed this 14th day of March, 2023.

Modesto Irrigation District

By: 

Larry Byrd

Title: MID Board President

RESOLUTION 2023-14
APPROVING AND AUTHORIZING THE BOARD PRESIDENT TO EXECUTE AND ADMINISTER
AN AMENDMENT OF THE MODESTO IRRIGATION DISTRICT
RETIREMENT SYSTEM BASIC RETIREMENT PLAN

WHEREAS, the Modesto Irrigation District (District) established the Modesto Irrigation District Retirement System Basic Retirement Plan (Plan) effective March 1, 1951; and

WHEREAS, the District has amended the Plan on various occasions since its original effective date; and

WHEREAS, the Plan was amended and restated to reflect changes which the District has determined are necessary or desirable effective January 1, 2022; and

WHEREAS, on February 23, 2023, the Retirement Committee, by Retirement Committee Resolution 2023-01, authorized and directed staff to recommend to the Board of Directors of the Modesto Irrigation District approval and execution of the attached Amendment of the Modesto Irrigation District Retirement System Basic Retirement Plan, effective January 1, 2022.

BE IT RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby approve the amendment of the Modesto Irrigation District Basic Retirement Plan, as set forth in the Amendment; and

BE IT FURTHER RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby authorize the Board President to execute and administer the attached Amendment of the Modesto Irrigation District Retirement System Basic Retirement Plan on behalf of the District, effective January 1, 2022.

Moved by Vice President Blom, seconded by Director Keating, that the foregoing resolution be adopted.

The following roll call vote was had:

Ayes: Directors Blom, Boer, Byrd, Frobose and Keating

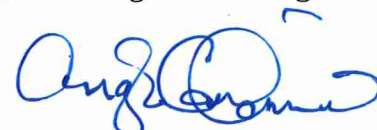
Noes: Director None

Absent: Director None

President Byrd declared the resolution adopted.

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I, Angela Cartisano, Board Secretary of the Modesto Irrigation District, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors held the fourteenth day of March 2023.



Board Secretary of the
Modesto Irrigation District