

TOWN OF EAST LYME PENSION PLAN

**Amended and Restated
As of
January 1, 2025**

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**2025 RESTATEMENT
OF THE
TOWN OF EAST LYME PENSION PLAN**

THIS PLAN AMENDMENT AND RESTATEMENT is hereby adopted by the Town of East Lyme (herein referred to as the “Employer”).

W I T N E S S E T H:

WHEREAS, the Employer heretofore established a pension plan effective January 1, 1968, known as the Town of East Lyme Pension Plan (hereinafter referred to as the “Plan”) in recognition of the contribution made to its successful operation by its employees and for the exclusive benefit of its eligible employees; such Plan has been amended periodically; and

WHEREAS, the Plan has been amended a number of times since the date of its establishment; and

WHEREAS, effective January 1, 2025, the Employer desires to amend and restate the Plan in its entirety, incorporating all amendments thereto adopted since the last restatement (except for those amendments relating to short-term voluntary retirement incentive programs in the 2000s) as well as other legislative and regulatory changes affecting the tax qualification and ongoing operation of the Plan. Except as may be specifically provided herein, any benefit with respect to any person who participated in the Plan prior to January 1, 2025, and who does not participate in this restated Plan, shall have his/her rights, if, any, under the Plan determined in accordance with the terms of the plan as constituted prior to January 1, 2025; and

WHEREAS, effective January 1, 2025, the Employer desires to amend the Plan to provide that police officer contributions shall be picked-up pursuant to Section 414(h)(2) of the Code; and

WHEREAS, under the terms of the Plan, the Employer has the ability to amend the Plan;

NOW, THEREFORE, effective January 1, 2025, except as otherwise herein provided, the Employer in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amends and restates the plan in its entirety to provide as follows:

ARTICLE I - DEFINITIONS

1.1 “Accrued Benefit” shall mean, as of any date of determination, the normal retirement Pension computed under Section 4.1 on the basis of the Participant’s Final Average Earnings and Service to that date.

1.2 “Actuarial Equivalent” means a form of benefit differing in time, period, or manner of payment from a specific benefit provided under the Plan but having the same value when in accordance with the following provisions:

- (a) Interest - 7.5%
- (b) Mortality - 1983 Group Annuity Mortality Table

Notwithstanding the foregoing, for determining the Actuarial Equivalent of small lump sum distributions pursuant to Section 5.3, the following actuarial assumptions shall instead apply:

- (a) Interest - The annual rate of interest on thirty (30) year Treasury securities as specified by the Secretary of the Treasury for November of the calendar year preceding the calendar year in which the distribution is made.
- (b) Mortality - The mortality table prescribed by the Secretary of the Treasury.

1.3 “Annuity Starting Date” means the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit.

1.4 “Beneficiary” means the person or persons, estate or trust named by a Participant by written designation filed with the Pension Board to receive payments after the Participant’s death under the death benefit described in Section 4.6, or under an optional form of benefit described in Section 5.2, or under a return of the Participant’s accumulated voluntary contributions described in Section 6.5.

1.5 “Code” means the Internal Revenue Code of 1986, as amended or replaced from time to time, and the U.S. Department of Treasury regulations promulgated thereunder.

1.6 “Compensation” means, unless otherwise provided in any applicable collective bargaining agreement, the basic cash remuneration paid to an Employee for services rendered to the Employer during the Plan Year, excluding bonuses, overtime pay, commissions and all other forms of additional compensation. Effective for Plan Years beginning after on or after January 1, 1998, Compensation includes any compensation excluded from income and thereby contributed to a plan maintained by the Employer pursuant to Sections 125, 402(e)(3), 402(h), 403(b), 457, 414(h)(2) of the Code.

For Plan Years beginning on or after July 1, 2001, Compensation shall include elective amounts that are not includable in the gross income of the Employee under Code Section 132(f)(4).

Effective for Plan Years beginning after December 31, 2008, and to the extent the Employer provides for differential wage payments while a person, while on active military duty, is performing services in the uniformed services, such differential wage payments shall/shall not be considered as Compensation in accordance with Code Section 414(u).

The determination of Compensation is further subject to the following rules:

- (a) For Plan Years beginning after December 31, 1988 and prior to January 1, 1994, Compensation in excess of \$200,000 shall be disregarded. Such amount shall be adjusted at the same time and in such manner as permitted under Code Section 415(d), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year and the first adjustment to the \$200,000 limitation shall be effective on January 1, 1990.
- (b) For Plan Years beginning after December 31, 1993, Compensation in excess of \$150,000 shall be disregarded. Such amount shall be determined and adjusted as permitted under Code Section 401(a)(17).

1.7 “Disability” means a disability on account of a bodily injury or disease so as to be unable to engage in any occupation or employment for wage or profit and such disability is expected to be permanent and continuous during the remainder of life but not excluding a disability resulting from military service for which a government pension is payable.

1.8 “Earnings” means a participant salary or wage paid or accrued as reported by the employer to the Internal Revenue Service for income tax purposes excluding overtime payments, commissions, bonuses and any other additional compensation.

However, the terms of the preceding paragraph notwithstanding:

Effective July 1, 2006 for each full-time sworn police officer of the Town of East Lyme Police Department, Earnings shall include overtime pay up to a maximum of \$15,000 (Town) and unlimited outside work (extra duty) with respect to income earned on or after January 1, 2006.

Effective July 1, 2008 for each firefighter of the Town of East Lyme Fire Department, Earnings shall include up to \$15,000 of overtime pay with respect to income earned on or after July 31, 2008.

1.9 “Early Retirement Age” means the date the Participant has both attained his 55th birthday and has completed at least 10 years of Service.

1.10 “Early Retirement Date” means the first day of any month (prior to the Normal Retirement Date) coinciding with or following the date on which a Participant or Former Participant attains his Early Retirement Age. A Former Participant who terminates employment prior to his Early Retirement Age without satisfying the age requirement, but who thereafter satisfies such age requirement, shall be entitled to elect early retirement benefits under the Plan.

1.11 “Effective Date” means, with respect to the original effective date of the plan, January 1, 1968. The effective date of this amendment and restatement is January 1, 2025.

1.12 “Eligible Class” means by employee who is not:

- (a) an elected official; or
- (b) an Employee of the Board of Education for the Town of East Lyme who is eligible to participate in State Teacher’s Retirement System; or
- (c) an unaffiliated Employee hired on or after June 1, 2001; or
- (d) an Employee in the East Lyme Fire Department hired on or after July 1, 2002.

Notwithstanding the above, an elected official may be in the Eligible Class if he is specifically noted to be included by the Board of Selectmen of the Town of East Lyme.

1.13 “Employee” means any person, employed by the Employer whose customary employment is for at least 20 hours a week and five months a year.

1.14 “Employer” means the Town of East Lyme, the East Lyme Public Library, Board of Selectman, Water Department, School Board, School Board Custodians and Maintenance Workers, East Lyme Police Department, East Lyme Fire Department and any successor which adopts this Plan. For purposes of this Plan all such employers shall be considered a single employer.

1.15 “Final Average Earnings” means the result obtained by dividing by 5 the total Earnings of a Participant during the highest paid 5 consecutive Plan Years during his final ten years of employment with the Employer. If a Participant has fewer than five years of Service, his Final Average Earnings shall be determined by dividing his total Earnings by the number of months in which Earnings were received.

Effective July 1, 1986, for Employees of the Town of East Lyme Police Department and August 1, 1986, for Employees of the Town of East Lyme Fire Department, Final Average Earnings shall mean the result obtained by dividing by three the total Earnings of a Participant during the highest paid 3 consecutive Plan Years during his final five years of employment with the Employer. If a Participant has fewer than 3 Years of Service, his Final Average Earnings will be determined by dividing his total Earnings by the number of months in which they were received. Except as stated otherwise in this Plan, the Final Average Earnings for all other Employees shall mean the result obtained by dividing the total Earnings of a Participant by the number of years of Service he has completed.

1.16 “Funding Agent” means the trustee or trustees or the legal reserve life insurance company by which the funds of the Plan are held, as provided in Article VIII.

1.17 “Funding Vehicle” means the insurance contract, annuity contract and/or trust under which funds of the Plan are held.

1.18 “Normal Retirement Date” means the following:

- (a) Except for those Employees specified in (b) or (c) below, a Participant’s Normal Retirement Date is the first day of the month coincident with or next following the later of the attainment of age 65 or completion of 10 Years of Service.
- (b) Normal Retirement for an officer of the Town of East Lyme Police Department shall be defined as retirement at age fifty (50) with twenty-five (25) years of continuous service as a full-time East Lyme Police Officer.
- (c) Normal Retirement for a Fire Fighter of the Town of East Lyme shall be determined as follows:
 - (1) Effective July 1, 1993, normal retirement shall be defined as retirement at age fifty-three (53) with twenty-five (25) years of continuous service as a full-time East Lyme Fire Fighter; and
 - (2) Effective June 30, 1996, normal retirement shall be defined as retirement at age fifty-two (52) with twenty-five (25) years of continuous service as a full-time East Lyme Fire Fighter; and
 - (3) Effective June 30, 1998, normal retirement shall be defined as retirement age fifty (50) with twenty-five (25) years of continuous service as a full-time East Lyme Fire Fighter.

1.19 “Participant” means any person included in the Plan, as provided in Article II who has satisfied the eligibility requirements.

1.20 “Pension” means monthly payments under the Plan as provided in Article V.

1.21 “Pension Board” means the administrator of the Plan established pursuant to Article VII.

1.22 “Plan” means the Town of East Lyme Pension Plan as set forth herein and as amended from time to time.

1.23 “Plan Year” means the 12-month period beginning on any January 1, while the Plan is in effect.

1.24 “Social Security” means the estimated, unreduced annual primary old-age insurance amount which an Employee would be entitled to receive commencing on the first day of the month next following the Employee’s Social Security Normal Retirement Age under the Federal Social Security Act in effect at the time of the Employee’s retirement.

1.25 “Spouse” means the lawful spouse to whom the Participant is married on his Annuity Starting Date, or if the Participant dies before his Annuity Starting Date, then the lawful spouse to whom the Participant is married on the Participant’s date of death. To the extent provided in

any qualified domestic relations order, a Participant's former Spouse may be treated as the surviving Spouse for purposes of this Plan.

1.26 "Vesting" means a Participant's nonforfeitable right to all or a percentage of his Accrued Benefit.

1.27 "Voluntary Participant Contributions" means that portion of a Participant's interest within the Plan which is attributable to his own Voluntary Participant Contributions.

ARTICLE II – PARTICIPATION

2.1 Participation Requirements

- (a) Each Employee who was a Participant on the day before December 31, 2024 and whose employment has not ceased shall continue to participate according to the terms of the Plan on and after January 1, 2025.
- (b) Each Employee employed by the Employer after the Effective Date will become covered under the Plan on the first day of the month provided he has been an Employee of the Employer for six (6) consecutive months, attained age twenty-five (25) (except those employees who are members of a AFSCME, Local 1303 shall be covered following the probationary period six (6) months retroactive to the date of hire), and he is not an elected official or employee of the Board of Education of the Town of East Lyme who is eligible to participate in the State Teacher's Retirement System. Provided however, pursuant to certain resolutions of the Board of Selectman of the Town of East Lyme, individuals who occupy the elected offices of Town Clerk, Tax Collector (on or after September 6, 1967) and First Selectman (on or after April 2, 1975) shall be covered under the Plan upon satisfaction of the Plan's age and service requirements. Furthermore, any other elected official may be eligible to participate in the Plan if he is specifically voted to be included by the Board of Selectman of the Town of East Lyme.
- (c) For the Town of East Lyme Police Department and for the Town of East Lyme Fire Department, if in the Eligible Class, each police officer who is considered a member of the police force and each firefighter who actually participates in the fighting of fires will be eligible to be covered under this Plan on the Effective Date of the first day of the month immediately following the day he first performs an hour of service. Each Employee shall be required to make Basic Participant Contributions to this Plan commencing on his date of commencement of participation in the Plan.

2.2 Events Affecting Participation

A Participant of this Plan shall cease to be a Participant for the purpose of accruing further benefits on the date on which death occurs, the date of his retirement, or the date employment is terminated because of disability or any other reasons.

2.3 Participation Upon Reemployment

If an Employee's participation in the Plan ends and he again becomes an Employee, he shall be considered a new Employee for all purposes of the Plan including determination of whether or not he is in an Eligible Class.

ARTICLE III - SERVICE

3.1 Vesting Service

Except as otherwise provided in this Plan, a Participant shall be credited with years of Vesting Service completed from his initial date of employment to the date of his termination of employment.

3.2 Break in Service

- (a) If an Employee is absent from the service of the Employer because of qualified military service in the Armed Forces of the United States and if he returns to the service of the Employer having applied to return while his reemployment rights are protected by law, the absence shall not count as a break in service. Any such absence instead shall be counted as Service for vesting and benefit accrual purposes to the extent required by the Uniformed Services Employment and Reemployment Rights of Act 1994 (USERRA) during which his right to reemployment is guaranteed after he has first become eligible for discharge or separation from active duty.
- (b) A period during which an Employee is on a leave of absence authorized by the Employer shall not be considered as a break shall be included as service provided the Employee returns at the end of such leave of absence.

3.3 Benefit Accrual Service

- (a) Service means continuous employment with the Employer. Absence from employment on account of leave of absence authorized by the Employer will be counted as continuous employment with the Employer provided that such Employee returns to active service with the Employer at the end of such leave of absence.
- (b) For purposes of computing a Participant's Accrued Benefit, years of service will be calculated from his date of hire to his date of termination and any accrued periods of service will be rounded to the nearest 1/12th.

ARTICLE IV - ELIGIBILITY FOR AND AMOUNT OF PENSION

4.1 Normal Retirement

- (a) The right of a Participant to his normal retirement Pension shall be nonforfeitable upon the Participant attaining his Normal Retirement Date. A Participant may retire from service on a normal retirement Pension beginning on his Normal Retirement Date or he may postpone his retirement and remain in service after his Normal Retirement Date.
- (b) Subject to the provisions of Section 5.1, the annual normal retirement Pension payable to the Participant upon retirement on his Normal Retirement Date as a single life annuity shall be determined as follows:
 - (i) The yearly amount of Accrued Benefit to be credited to each Participant in the Plan shall be equal to 1% of his Final Average Earnings multiplied by years of Service. Effective July 1, 1987, this formula shall be applied to determine the yearly amount of Accrued Benefit to be credited to School Board Custodians and Maintenance Workers.
 - (ii) Effective July 1, 1986, the yearly amount of Accrued Benefit credited to officers of the East Lyme Police Department shall be equal to (a) plus (b) as determined below:
 - (a) 1% of Final Average Earnings multiplied by the number of years of Service completed before August 1, 1986, and
 - (b) 2% of Final Average Earnings multiplied by the number of years of Service completed after August 1, 1986.
 - (c) Effective July 1, 1988, but prior to July 1, 2006, in no event will the yearly amount of Accrued Benefit determined in accordance with this Section 4.01(b)(ii) exceed 60% of each police officer's base salary at the time of his retirement.
 - (d) Effective July 1, 2006, in no event will the yearly amount of Accrued Benefit determined in accordance with this section 4.1(b)(ii) exceed 80% of each police officer's base salary at the time of his retirement, except as provided in subsection (b)(iv) of this Section.
 - (iii) Effective August 1, 1986, the yearly amount of Accrued Benefit credited to firefighters of the East Lyme Fire Department shall be equal to (a) plus (b) as determined below:
 - (a) 1% of Final Average Earnings multiplied by the number of years of Service completed before August 1, 1986, and

- (b) 2% of Final Average Earnings multiplied by the number of years of Service completed after August 1, 1986.

For purposes of computing a Participant's Accrued Benefit, periods of Service will be rounded to the nearest 1/12th.

- (iv) Conversion of Accumulated Leave: under the terms of a collective bargaining agreement between the Employer and Local 3377, International Association of Fire Fighters, AFL-CIO, which became effective July 1, 2002 and whose terms are effective through June 30, 2005, each Plan Participant covered by such collective bargaining agreement is eligible to receive, upon retirement, an additional benefit based upon a percentage of his Final Average Earnings of up to 3% through the exchange of accumulated but unused sick leave for pension credit, in accordance with the schedule outlined below. Such additional benefit shall be added to the benefit amount derived from the Plan's existing benefit formula. In a similar manner, under the terms of a collective bargaining agreement between the Employer and the East Lyme Police Local No. 2852 Council #15, Federation of State, County and Municipal Employee, AFL-CIO, which became effective July 1, 1998 and whose terms are effective through June 30, 2005, each Plan Participant covered by such collective bargaining agreement is eligible to receive the same enhancement of retirement benefits.

The schedule is as follows:

<u>No. of Unused Sick Days</u>	<u>Additional Percentage Applied</u>
100 days	1%
150 days	2%
200 days	3%

Effective January 1, 2004, the Employer extended the same retirement enhancement provision based upon accumulated, unused sick leave to unaffiliated Town salaried employees and unaffiliated Town hourly employees.

- (c) The annual normal retirement Pension shall never be less than the greatest annual amount of reduced early retirement Pension that the Participant could have received under Section 4.4 before his Normal Retirement Date.

4.2 Postponed Retirement

A Participant may continue in employment beyond his Normal Retirement Date to a deferred retirement date that may be the first day of any month subsequent to his Normal Retirement Date.

If the Participant postpones his retirement, he shall be retired from service on a postponed Pension beginning on the first day the calendar month immediately after the Pension

Board receives his written application to retire, based on the Participant's Service and Final Average Earnings as of his actual postponed retirement date.

4.3 Early Retirement

A Participant who has not reached his Normal Retirement Date but who has reached his Early Retirement Age (55th birthday and completed 10 years of Service) may elect to terminate employment and retire on the Early Retirement Date which may be the first day of any month within 10 years prior to his Normal Retirement Date. Such retirement is subject to the written consent of the Pension Board and to the requirement that the Participant have at least 10 years of Service.

The monthly amount of benefit credited to a Participant retiring on his Early Retirement Date shall be equal to his Accrued Benefit determined on his Early Retirement Date, subject to the amount of benefit in which the Employee is vested under Section 4.4 and adjusted with an appropriate early retirement adjustment factor.

4.4 Vesting

(a) A Participant shall have a 100 percent vested, nonforfeitable right to the Accrued Benefit provided by the Employer's contributions upon completion of the years of Vesting Service specified from the appropriate schedule below. If the Participant's employment is subsequently terminated for reasons other than retirement or death, he shall be eligible for a vested Pension after the Pension Board receives his written application for the Pension. The vesting schedules are as follows:

- (1) For unaffiliated Employees of the Board of Selectman (effective July 1, 2001), firefighters of the Town of East Lyme Fire Department (effective July 1, 2002), and full-time sworn police officers of the Town of East Lyme Police Department (effective July 1, 2005):

Vesting Schedule

Years of Service	Percentage
Less than 5	0%
5 or more	100%

- (2) For municipal union Employees, Town of East Lyme Library Employees, Board of Education Employees, and all other Employees covered under the Plan not specifically identified in subparagraphs (a)(1) above:

Vesting Schedule

Years of Service	Percentage
Less than 10	0%
10 or more	100%

Provided, however, that each Participant shall always be 100% vested in the accumulated value of his Participant contributions under the Plan.

4.5 Disability Benefit

- (a) A Participant who has not reached his Normal Retirement Date but who has reached his 50th birthday, completed ten years of service and is in the Eligible Class and who ceases to be employed by the Employer on account of Disability, shall be entitled to a disability benefit.
- (b) If a Participant becomes disabled when he meets such eligibility requirements and remains disabled for six consecutive months, he will become eligible to receive disability benefits, as of the first day of each month as long as he remains disabled and has not attained his annuity commencement date or Normal Retirement Date, whichever is earlier.
- (c) As a condition of his continuing to receive a disability benefit, the Employer may require any Participant receiving a Disability Benefit, who has not reached his Normal Retirement Date, to provide satisfactory proof of his continued receipt of disability, including insurance benefits under the Social Security Act. If any Participant refuses to provide that proof, his disability retirement Pension shall cease until he no longer refuses to provide proof. However, a Participant will not cease to be Disabled solely because he engages in gainful employment for purposes of rehabilitation as approved by the Employer.
- (d) The monthly amount of Disability Benefit payable to a Participant eligible for such benefit shall be equal to 1/12 of the annual amount of his Accrued Benefit as determined under Section 4.1 as of the date of disability. All Disability Benefit payments to a Participant shall be derived solely from Employer contributions made under this Plan. Any amount of Disability so determined for a Participant will be reduced by the amount of any periodic cash payments provided for him under or on account of any workmen's compensation law or similar law which became payable on or after the date he first became eligible for such Disability Benefits.
- (e) The Disability Benefit shall be payable monthly commencing with the first day of the month following establishment of Disability and shall terminate with the last monthly payment due preceding the earliest of the following dates:
 - (i) the date of the death of the Participant,
 - (ii) the date the Participant is deemed to be no longer permanently and totally disabled, or
 - (iii) the Participant's Normal Retirement Date, or

- (iv) the Annuity Starting Date.
- (f) Upon the occurrence of the Participant's Normal Retirement Date, Disability Benefit payments shall cease and payment of the Normal Retirement Benefit shall commence and the Participant shall then elect to receive the amount he had been receiving as a Disability Benefit in any one of the forms of payment outlined in the Plan.
- (g) A Participant who becomes eligible to receive disability benefits will be treated as if he terminated on the date he became disabled and he had a 100% vested nonforfeitable right.
- (h) If such a Participant should cease to be Disabled before his Annuity Starting Date and returns promptly to active service with the Employer, such termination of employment will be of no force and effect, but the period while he was disabled will not be counted as time in the Eligible Class or if such a Participant should cease to be Disabled before his annuity commencement date and does not return promptly to active service with the Employer, such termination of employment will remain effective but his vesting percentage will be redetermined as of the date of termination of employment.

4.6 Death Benefit

- (a) For the purposes of unaffiliated Employees employed by the Board of Selectmen, the Water Department, the East Lyme Public Library, officers of the East Lyme Police Department and firefighters of the East Lyme Fire Department:

Upon the death of a Participant prior to termination of employment, his Spouse, if living, shall be entitled to benefits payable for life in a monthly amount equal to the amount that would have been payable to a contingent annuitant had the Participant retired on the date of his death with the 50% Contingent Annuitant form of payment in effect. In the event the Participant dies prior to the date he would have attained his Early Retirement Date, his Spouse may not receive payment prior to the first day of the month following such Early Retirement Date. The cost for providing this death benefit will be paid by the Employer. If the Death Benefit provided herein is not available to any of the aforementioned classes of Participants, then a Death Benefit in accordance with the provisions of subsections (b) and (c) below will be provided.

- (b) Upon the death of a Participant who has made any contributions described in Section 6.5 on or after the earliest date on which he could elect to receive a Pension under this Plan, no death benefit will become payable in respect to his Pension except as otherwise provided in the Plan.

Upon the death of a Participant, who has not made any contributions described in Section 6.5 and who has died on or after his Annuity Starting Date, a refund will be payable to a Participant's Beneficiary in an amount equal to the excess, if any, of the Participant's contributions received by the Plan and not previously

refunded, along with interest credited thereon to such Annuity Starting Date over the sum of the Supplemental Retirement Annuity Payments which have become payable with respect to the Participant's coverage.

- (c) Upon the death of a Participant who has not made any contributions as described in Section 6.5 before the earliest date on which he could elect to receive a Pension under this Plan, no death benefits will become payable in respect to his coverage.

Upon the death of a Participant who has made contributions as described in Section 6.5, who has died before his Annuity Starting Date and has not elected to receive a refund of such contributions, his Beneficiary will become eligible to receive a refund in an amount equal to the Basic Participant Contributions received by the Plan.

- (d) Effective July 1, 1986 for the Town of East Lyme Police Officers and August 1, 1986 for the Town of East Lyme firefighters, a refund of all Employee derived contributions excluding credited interest on those assets will be provided as a death benefit.

4.7 Maximum Benefits

Notwithstanding anything in this Plan to the contrary, benefits provided hereunder shall comply with the limitations of Section 415 of the Code and the Treasury Regulations thereunder applicable to governmental plans, the provisions of which are hereby specifically incorporated herein and set forth below.

- (a) Regardless of any other provisions of the Plan, pursuant to Section 415(b) of the Code, the annual benefit payable hereunder (expressed as a straight life annuity with no ancillary benefits, as provided in regulations pursuant to Section 415(b)(2)(B) of the Code), except as otherwise provided below, shall not exceed the dollar limitation described in Section 415(d) of the Code (as adjusted to reflect cost of living increases). For purposes of applying Section 415(b) of the Code, the limitation year shall be the Plan Year.
- (b) In the case of a benefit beginning after the Participant attains age sixty-five (65), such dollar limitation shall be of actuarial equivalent value to the defined benefit dollar limitation applicable to the Participant at age sixty-five (65) (adjusted as provided in subsection (a) above, if required).
- (c) In the case of a benefit beginning prior to the Participant's attainment of age sixty-two (62), the dollar limitation described in Section 415(b)(1)(A) of the Code shall be of actuarial equivalent value to the maximum benefit payable at age sixty-two (62) (adjusted as provided in subsection (a) above, if required).
- (d) If the Retirement Benefit is payable neither as a life annuity nor a qualified joint and survivor annuity with the Participant's spouse as beneficiary, the maximum limitation shall be of actuarial equivalent value to the maximum limitation otherwise payable. No mortality adjustment shall be made in determining such

maximum benefit, provided that: (i) the Plan continues to grant a qualified preretirement survivor annuity for which no charge is made, or (ii) there is otherwise no forfeiture of benefits upon the Participant's death prior to the annuity commencement date with respect to benefits paid prior to attainment of age sixty-two (62), or between the Participant's attainment of age sixty-five (65) and the annuity commencement date for benefits commencing after attainment of age sixty-five (65).

- (e) Ten Thousand Dollar (\$10,000) Limitation. The limitations in subsections (a), (b), (c), and (d) above shall not be applied to reduce the benefit of any Participant below ten thousand dollars (\$10,000).
- (f) Less than Ten (10) Years of Participation or Service Adjustment for 415(b) Limitations. The dollar limitation in subsection (a) shall be reduced in the case of any Participant who has had less than ten (10) years of participation in the Plan by multiplying the limitation by a fraction whose numerator is the number of years (or part thereof) of participation in the Plan and the denominator of which is ten (10).
- (g) Exception for Certain Police, Firefighter and Military Members. In the event the Participant's benefit is based on at least fifteen (15) years of service as a full-time Employee of any police or fire department that is organized and operated by the Town to provide police protection, firefighting services or emergency medical service within the Town or military service as a member of the Armed Forces of the United States, the adjustments provided for in subsection (c) above shall not apply.
- (h) Exception for Death and Disability Benefits. The adjustments provided for in subsection (c) above shall not apply to any pre-retirement disability benefits or pre-retirement death benefits.
- (i) Notwithstanding any other provisions of the Town to the contrary, actuarial equivalent value for purposes of this Section shall be determined in accordance with Section 415(b) of the Code and the regulations or rulings issued thereunder. Benefits paid in a form to which Section 417(e)(3) of the Code does not apply shall be computed using whichever of the following factors produce the greatest actuarial equivalent straight life annuity benefit: (i) the early retirement, late retirement, or optional factors under the Plan, as appropriate, or (ii) the IRS Mortality Table, if applicable, and an interest rate of five percent (5%). Benefits paid in a form to which Section 417(e)(3) of the Code applies shall be computed using whichever of the following three (3) factors produce the greatest actuarial equivalent straight life annuity benefit:
 - (A) the early retirement, late retirement, or optional factors under the Plan, as appropriate;
 - (B) the IRS Mortality Table, if applicable, and an interest rate of five and one-half percent (5.5%); or

- (C) the applicable interest rate under Section 1.417(e)-1(d)(3) of the Treasury Regulations and the IRS Mortality Table, divided by 1.05.

If the maximum benefit payable to a Participant must be adjusted, such adjustment shall be made in accordance with the provisions of Section 415(b) of the Code.

- (j) For purposes of this Section, “annual benefit” means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax Employee contributions (except pursuant to Section 415(n) of the Code) and to rollover contributions (as defined in Section 415(b)(2)(A) of the Code). The “benefit attributable” shall be determined in accordance with Treasury Regulations.

4.8 Transfer and Employment

If an Employee becomes employed by the Employer in any capacity other than as a member of an Eligible Class he shall retain any Service he has under this Plan and future years of Service with the Employer shall count as Service under the Plan for vesting purposes. Upon his later retirement or termination of employment with the Employer, any benefits to which he is entitled under the Plan shall be determined under the Plan provisions in effect on the date he ceases to be a member of the Eligible Class and only on the basis of his Service accrued while he was a member of the Eligible Class.

ARTICLE V - PAYMENT OF PENSIONS

5.1 Automatic Form of Payment

A Participant's Pension shall be payable in monthly installments payable for his life only and ending with the last monthly payment before death, unless the Participant has elected an optional benefit as provided in Section 5.2.

5.2 Optional Forms of Payment

Any Participant may, by written notice received by the Pension Board, elect to convert the Pension otherwise payable to him into an optional benefit of Actuarial Equivalent value as provided in one of the options named below.

Option 1. A modified Pension payable during the Participant's life, which the provision that if he die within the ten-year period following the date of its commencement the modified Pension is to be continued for the balance of said ten-year period to the contingent annuitant nominated by the Participant by written designation duly acknowledged and filed with the Pension Board when he elected the option. If such contingent annuitant does not survive the ten-year period, the commuted value of any remaining payment shall be paid to the legal representatives of the last to survive of the Participant and such contingent annuitant.

Option 2. A modified Pension payable during the Participant's life, and after his death payable at the rate of 50, 66-2/3 or 100% of his modified Pension, as the Participant elects, during the life of and to, the Beneficiary named by him when he elected that option.

Option 3. A modified pension payable to the Participant before his Social Security Commencement Date and after such date, a reduced Pension, such that the Participant will receive an approximately level income from the Plan and Social Security during his entire retirement. Benefit payments will begin on the Participant's Annuity Starting Date and will end with the last monthly payment before his date of death.

5.3 Small Annuity

Notwithstanding the provisions of Sections 5.1 and 5.2, under certain circumstances Retirement Benefit payments may be paid to a Retired Participant or his beneficiary, in a lump sum where such monthly benefits would be less than Ten Dollars (\$10) and such lump sum will be the actuarial equivalent of the monthly benefits; provided, however, that the Actuarial Equivalent of such amount does not exceed \$5,000.

5.4 Election of Options

The Pension Board shall furnish the Participant a written explanation in nontechnical language of the terms and conditions of the normal form of payment described in Section 5.1, the financial effect upon the Participant's Pension if he instead elects an optional form of payment under Section 5.2 and the rights of the Participant to make, and to revoke, an election under Section 5.2. An election under Section 5.2 shall be made on a form supplied by the Pension Board and may be made at any time after that information is furnished to the Participant and before the Participant's Annuity Starting Date. An election of an option under Section 5.2 may be revoked on a form supplied by the Pension Board, and a new election may be made at any time and any number of times during the applicable election period.

5.5 Required Commencement Dates

Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's retirement benefits, whether under the Plan or through the purchase of an annuity contract, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9), the provisions of which (including any applicable regulations) are incorporated herein by reference:

- (a) A Participant's benefits shall be distributed, or shall commence to be distributed, to him not later than April 1st of the calendar year following the later of:
 - (1) the calendar year in which the Participant attains age 73 (75 for Participants who attain age 74 after December 31, 2032); or
 - (2) the calendar year in which the Participant retires;
- (b) Distributions to a Participant must begin no later than the applicable April 1st as determined under paragraph (a) above and must be made over the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancies of the Participant and the Participant's designated Beneficiary) in accordance with the Code. Once distributions to a Participant begin, any additional benefit accruals earned by the Participant shall be offset at the end of each calendar year by the Actuarial Equivalent of the total retirement benefit payments made to the Participant throughout the calendar year.
- (c) Distributions to a Participant and his Beneficiary shall be made in accordance with death benefit requirements of Code Section 401(a)(9). If the distribution of a Participant's interest has begun and the Participant dies before his entire interest has been distributed to him, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution selected pursuant to the plan as of his date of death.

5.6 Direct Rollovers

- (a) If a single-sum distribution is made pursuant to Section 5.3 or any other applicable provision of the Plan, the distributee may elect, at the time and in the manner prescribed by the Pension Board, to have all or a portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee.
- (b) For purposes of this Section, an “eligible rollover distribution” is any distribution of all or any portion of the Actuarial Equivalent balance to the credit of the Participant provided, however, that an eligible rollover distribution shall not include:
 - (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more;
 - (2) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and
 - (3) 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).
 - (4) Notwithstanding any other provision of this paragraph (b) to the contrary, an eligible rollover distribution shall also include Participant after-tax contributions.
 - (5) An eligible rollover distribution shall also include a Plan distribution made by a nonspouse Beneficiary to an Individual Retirement Account (IRA) the Beneficiary establishes for purposes of receiving the distribution.
- (c) Except as provided in paragraph (d) of this Section, an “eligible retirement plan” is (1) an individual retirement account described in Section 408(a) of the Code; (2) an individual retirement annuity described in Section 408(b) of the Code; (3) an annuity plan described in Section 403(a) of the Code; or (4) a qualified trust described in Section 401(a) of the Code, provided that such annuity, plan or trust accepts the Participant’s eligible rollover distribution. An eligible retirement plan shall also mean an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agree to separately account for amounts transferred into such plan from this Plan. An eligible retirement plan shall also mean a Roth IRA described in Code Section 408A(b).

- (d) In the case of an eligible rollover distribution to a Participant's surviving Spouse, an eligible retirement plan shall include only (1) an individual retirement account, or (2) an individual retirement annuity. The definition of eligible retirement plan in paragraph (c) above shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relation order, as defined in Code Section 414(p).
- (e) Solely for purposes of this Section, Participant shall include (1) a Former Participant; (2) a Participant's or Former Participant's surviving Spouse; and (3) a Participant's or Former Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.
- (f) For purposes of this Section, a direct rollover is a payment by the Plan to the eligible retirement plan specified by the Participant.

5.7 Cost of Living Adjustment for Police Officers

- (a) The provisions of this Section, effective July 1, 2006, shall apply solely to police officers of the Town of East Lyme Police Department who are Participants under the Plan, and who retire on or after July 1, 2006.
- (b) As of the date which is one year following a Participant's retirement date, his retirement benefit shall be subject to an annual cost of living adjustments of one percent (1%).

5.8 Cost of Living Adjustment for Firefighters

- (a) The provisions of this Section, effective July 1, 2010, shall apply solely to firefighters of the Town of East Lyme Fire Department who are Participants under the Plan, and who retire on or after July 1, 2010.
- (b) As of the date which is one year following the retirement of a Participant described in (a) above, and on each annual anniversary thereafter, his Pension shall be subject to an annual cost of living adjustments of one percent (1%).

ARTICLE VI - CONTRIBUTIONS

6.1 Employer's Contributions

It is the intention of the Employer to continue the Plan and make contributions that are necessary to maintain the Plan on a sound actuarial basis and to meet the minimum funding standards prescribed by law.

6.2 Return of Contributions

The Employer may recover without interest the amount of its contributions to the Plan made on account of a mistake in fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions.

6.3 Participants' Basic Contributions

This Section 6.3 will only apply to officers of the Town of East Lyme Police Department (effective July 1, 1986) and firefighters of the Town of East Lyme Fire Department (effective August 1, 1986).

- (a) Each Participant shall be required to make Basic Participant Contributions while he remains an Employee of the Employer. Such contributions shall be in the amount equal to five (5%) percent of his monthly Earnings. Any Basic Participant Contributions will be applied to reduce the contributions to be made by the Town. Effective July 1, 2006, the required Basic Participant Contributions shall be increased as follows:
 - (1) With respect to each Police officer of the East Lyme Police Department: eight percent (8%) of his base monthly salary.
 - (2) With respect to each firefighter of the East Lyme Fire Department: five and one-half percent (5 ½%) of his base monthly salary.
- (b) Each Participant shall at all times and under all conditions remain 100 percent vested in the accumulated value of his own contributions under the Plan.
- (c) If a Participant who has terminated his employment with the Employer, and the Participant shall withdraw any portion of his Basic Participant Contributions at any time prior to his Annuity Starting Date he shall forfeit any and all Accrued Benefits which have been derived from Employer contributions under this Plan.
- (d) A Pension, in whatever form which may become payable under this Plan, shall be derived to the fullest extent possible from the remaining balance of the Participant's own Basic Participant Contributions prior to the application of any Employer contributions under the Plan.
- (e) If a terminated Participant who has forfeited any Accrued Benefits in accordance with Section (c) above should resume his participation in the Plan within twelve

months from the date of such withdrawal he shall have the right to recontribute to the Plan at that time the amount of such withdrawal plus interest at an annual rate of five percent (5%). All forfeited benefits resulting from such withdrawal shall be fully restored upon complete repayment of the withdrawal plus interest.

- (f) Effective January 1, 2025, pursuant to §414(h)(2) of the Code, the Employer shall pick-up and pay the Basic Participant Contributions that otherwise would be payable by each Police officer. The contributions so “picked-up” shall be treated as Employer contributions for purposes of determining the amounts of federal income taxes to withhold from each Participant’s Earnings.
- (g) Participant contributions picked up by the Employer shall be paid from the same source of funds used for the payment of salaries to Employees. A deduction shall be made from each Participant’s Earnings equal to the amount of the Participant contributions picked up by the Employer, provided that such deduction shall not reduce the Participant’s Earnings for purposes of computing benefits under this Plan.
- (h) Participant contributions picked-up by the Employer shall be distinguished separately for each applicable Participant, so that Basic Participant Contributions made prior to January 1, 2025 may be distinguished from the Basic Participant Contributions picked-up by the Employer on or after January 1, 2025.

6.4 Accrued Benefit Derived from Participant Contributions

- (a) The portion of a Participant 's monthly Accrued Benefit credited under Article IV which is derived from the Participant’s Basic Participant Contribution made hereunder shall be an amount equal to (i) multiplied by (ii) below:
 - (i) The accumulated value of Participant’s Basic Participant Contributions plus interest to the Normal Retirement Date, multiplied by
 - (ii) A conversion factor to convert the value calculated in (a) above to a straight Life Annuity commencing on the Participant’s Normal Retirement Date.
- (b) The monthly Accrued Benefit derived from Basic Participant Contributions shall not exceed the greater of
 - (i) The Participant’s total Accrued Benefit or
 - (ii) The monthly Accrued Benefit derived from Participant Basic Contributions without regard to accumulated interest thereon.

6.5 Participants’ Voluntary Contributions

- (a) Each Participant may provide for a benefit under the Plan to supplement the Pension otherwise payable by contributing before his Normal Retirement Date an

even percentage of his annual Earnings from one (1%) to ten (10%) percent. The Employer shall deduct those contributions from the Compensation of each contributing Participant on each and every payroll and shall transmit the sum so deducted to the Funding Agent. Each Participant's voluntary contributions shall be valued annually. Amounts attributable to a Participant's Voluntary Participant Contributions will be applied toward a Supplemental Retirement Annuity that will provide an additional series of income payments. A Participant who has made such Contributions and has not received a refund of such Contribution will be eligible to receive such Supplemental Retirement Annuity.

- (b) Subject to the provisions of paragraph (a) above, a Participant may change at any time the percentage of his authorized payroll deduction or suspend his contributions. The changed percentage or suspension shall become effective beginning with the first payroll period as specified by the Participant beginning after the expiration of the notice period. Such an increase or decrease may not be elected more frequently than once in any twelve-month period.
- (c) Participants' voluntary contributions shall be held by the Funding Agent as part of the funds of the Plan and shall be credited with interest under rules uniformly applicable to all those similarly situated and as such rate of interest that shall be determined by the Pension Board based upon the investment earnings of the Plan.
- (d) If a Participant has made any Voluntary Participant Contributions, the Participant may at any time, upon thirty days' written notice, have distributed to him all or any portion of such contributions together with interest earnings. Any balance shall be retained in the Participant's Voluntary Participant Contributions account. A Participant may not elect such a withdrawal more frequently than once in any twelve-month period.
- (e) In determining the Accrued Benefits or interest of any Participant or his Beneficiary for any purpose no account shall be taken of any amounts attributable to his Voluntary Participant Contributions unless specific reference is made and any such amounts shall be in addition to the Accrued Benefits or interest of the Participant or his Beneficiary as otherwise determined.

ARTICLE VII - ADMINISTRATION OF PLAN

7.1 Appointment of the Pension Board

The general administration of the Plan and the responsibility for carrying out the provisions of the Plan shall be placed in the Pension Board, as established pursuant to Chapter 31, Section 31.55 of the East Lyme Code of Ordinances.

7.2 Duties of the Pension Board

The members of the Pension Board shall elect a chairman from their number and a secretary who may be but need not be one of the members of the Pension Board; may authorize one or more of the number of any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they require in carrying out the provisions of the Plan; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan.

7.3 Meetings

The Pension Board shall hold meetings upon such notice, at such place or places, and at such time or times it may from time to time determine.

7.4 Action of Majority

Any act of the planned authorizes or requires the Pension Board to do may be done by a majority of its members. The action of that majority, expressed from time to time by a vote at a meeting or in writing without a meeting, shall constitute the action of the Pension Board and shall have the same effect for all purposes as if assented to by all members of the Pension Board at the time in office.

7.5 Compensation

No member of the Pension Board shall receive any compensation from the Plan for his services as such.

7.6 Indemnification of Pension Board Members

The Employer shall hold harmless and indemnify any member or former member of the board against any and all liabilities, costs, damages, and expenses (including attorneys' fees and the amounts paid in settlement for any claims as approved by the Employer) occasioned by any act or a mission to act in good faith.

7.7 Establishment of Rules

Subject to the limitations of the Plan, the Pension Board from time to time shall establish rules for administration of the Plan and the transaction of its business. The Pension Board shall have the power to construe and interpret the Plan, including the power to construe and determine any doubtful provisions. The determination of the Pension Board as to any disputed question shall be conclusive.

7.8 Prudent Conduct

The members of the Pension Board shall use that degree of care, skill, prudence, and diligence that a prudent man acting in a like capacity in familiar with such matters would use in his conduct of a similar situation.

7.9 Actuary

As an aid to the Pension Board and adopting tables and in fixing the rate of contributions payable to the Plan, the actuary designated by the Employer shall make annual actuarial valuations of the contingent assets and liabilities of the Plan, and shall certify to the Pension Board the tables and rates of contribution which he would recommend for use by the Pension Board.

7.10 Maintenance of Accounts

The Pension Board shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan. The Pension Board shall prepare annually a report showing in reasonable detail the assets and liabilities of the Plan and giving a brief account of the operation of the Plan for the past year. That report shall be submitted to the Employer.

ARTICLE VIII - MANAGEMENT OF FUNDS

8.1 Funding Agent

All the funds of the Plan shall be held under a Funding Vehicle adopted by the Employer for use in providing the benefits of the Plan and paying the expenses of the Plan to the extent not paid by Employer. The Employer shall have no liability for the payment of benefits under the Plan nor for the administration of the funds paid over to the Funding Agent.

8.2 Exclusive Benefit Rule

Except as otherwise provided in the Plan, no part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them. No person shall have any interest in or right to any part of the earnings of the funds of the Plan, or any right in, or to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

ARTICLE IX - AMENDMENT, MERGER AND TERMINATION

9.1 Amendment of Plan

The Employer reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any and all of the provisions of the Plan. However, no amendment shall make it possible for any part of the funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to the benefits under the Plan, before the satisfaction of the liabilities with respect to them. No amendment shall be made which has the effect of decreasing the Accrued Benefit of any Participant or of reducing the nonforfeitable percentage of the Accrued Benefit of the Participant below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted or, if later, the date on which the amendment becomes effective unless such decrease is specifically permitted by law. No amendment shall increase the duties of the Plan administrator without its written consent.

9.2 Merger or Consolidation

The Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to received immediately before the merger, consolidation, or transfer if the Plan had then terminated.

9.3 Termination of Plan

The Employer may terminate the Plan for any reason at any time. In case of termination of the Plan, the rights of Participants to the benefits accrued under the Plan to the date of the termination, to the extent then funded shall be nonforfeitable. The funds of the Plan shall be used for the exclusive benefit of person entitled to benefits under the Plan as of the date of termination, except as otherwise provided by the Plan. However, any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial computation shall be returned to Employer.

9.4 Benefits Upon Plan Termination

In the event this Plan shall be terminated or partially terminated, the affected Participants and Beneficiaries of the Plan shall become 100% vested in their Accrued Benefit. Retirement benefits payable under this Plan at the date of termination shall be paid in the manner herein after indicated:

- (a) First, the portion of each individual's Accrued Benefit, which is derived from the Participant's voluntary contributions to the Plan.
- (b) Second, the portion of each individual's Accrued Benefit, which is derived from the Participant's Basic Contributions to the Plan.

- (c) Third, the amount of Normal Retirement Benefit which had been payable to Participants for at least 3 years prior to the termination date of the Plan, including those benefits which would have been received during such 3-year period by Participants who were eligible to receive a Normal Retirement Benefit during such period. All such benefits shall be based upon the Plan provisions in effect at least 5 years prior to the Plan termination date.
- (d) Fourth, all other benefits under the Plan.

ARTICLE X - GENERAL PROVISIONS

10.1 Nonalienation

- (a) Except as provided by (b) and (c) below and except as required by applicable law, no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void.
- (b) Notwithstanding the provisions of (a) above, payment all be made in accordance with the provisions of any judgment, decree, or order which:
 - (1) creates for, or assigns to, a spouse, former spouse, child or other dependent of a Participant the right to receive all or a portion of the Participant's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that spouse, child or dependent,
 - (2) is made pursuant to a State domestic relations law and is a "Qualified Domestic Relations Order" as defined by Section 414(p) of the Code, and
 - (3) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan.

Any such order may provide that benefits shall be paid or commence before the Participant's "earliest retirement age" as defined in Code Section 414(p) prior to the Participant's separation from service.

- (c) Notwithstanding (a) above, a Participant's Accrued Benefit may be reduced by the amount the Participant (and/or his spouse) is required to pay to the Plan pursuant to a court judgment, order, decree, or settlement stemming from certain crimes or violations of the Code, to the extent offset is permitted by Code Section 401(a)(13)(C).

10.2 Conditions of Employment Not Affected by Plan

The establishment of the Plan shall not confer any legal rights upon any Employee or other person for a continuation of employment, not shall it interfere with the rights of the Employer to discharge any Employee and to treat him without regard to the effect which that treatment might have upon him as a Participant of the Plan.

10.3 Facility of Payment

If the Pension Board shall find that a Participant or other person entitled to a benefit is unable to care for his affairs because of illness or accident or is a minor or had died, the Pension Board may direct that any benefit due him, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his spouse, a child, a parent or other blood relative, or to a person with whom he resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

10.4 Lost Payee

If the Funding Agent is unable to pay any benefit to any Participant or Beneficiary to whom a payment is due because it cannot identify or locate such Participant or Beneficiary after having made a reasonable effort to do so, then such payment and all subsequent payments otherwise due to such person shall be forfeited immediately as of the date the first such payment is due; provided, however, that such payment and any subsequent payments shall be reinstated retroactively within 60 days after the date a claim is made for the benefit by such Participant or Beneficiary.

10.5 Offsets

The Administrator shall uniformly be applicable to all Employees similarly situated, deduct from any Pension under the Plan all or part of any amount paid or payable to or on account of any Participant under the provisions of any present or future law, pension or benefit scheme of any sovereign government, or any of its political subdivisions, on account of which contributions have been made or premiums or taxes have paid by the Employer.

10.6 Construction

The Plan shall be construed, regulated and administered under the laws of Connecticut.

10.7 Gender And Number

Wherever any words are used herein in the masculine, feminine and neuter gender, they shall be construed as though they were also used in another general in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

10.8 Legal Action

In the event any claim, suit, or proceeding is brought regarding the Funding Vehicle and/or the Plan established hereunder to which the Funding Agent, or the Pension Board may be a party, and such claim, suit, or proceeding is resolved in favor of the Funding Agent or Pension Board, they shall be entitled to be reimbursed from the Funding Vehicle for any and all reasonable costs, attorney's fees, or other expenses pertaining thereto incurred by them for which they shall have become liable.

10.9 Receipt And Release For Payments

Any payment to the Participant, his legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, being in full satisfaction of all claims here under against the Funding Vehicle, and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as the condition precedent to such payment, to execute a receipt and release thereof.

10.10 Action By The Employer

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act, or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

10.11 Headings

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

10.12 Uniformity

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. In the event of any conflict between the terms of this Plan or any Funding Vehicle purchased hereunder, the Plan provisions shall control.

10.13 Severability

In the event that any provision of this Plan shall be found, by a court, regulatory agency or other instrument of law of competent jurisdiction, to be without force or effect then the remainder of the Plan shall remain in full force and effect, and shall be interpreted and construed in a manner consistent with the purposes of the Plan as stated herein.

IN WITNESS WHEREOF, this Plan has been executed this 7th day of JANUARY, 2025.

WITNESS

Robert Curry

TOWN OF EAST LYME

By: David R. Cummings
Title: FIRST SELECTMAN