

**KANSAS CITY AREA  
TRANSPORTATION AUTHORITY  
UNION EMPLOYEES'  
FUNDED PENSION PLAN**

**Effective November 1, 1971**

**As Amended and Restated Effective January 1, 2009**

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**KANSAS CITY AREA TRANSPORTATION AUTHORITY**  
**UNION EMPLOYEES' FUNDED PENSION PLAN**

The Kansas City Area Transportation Authority (the "Authority") and Local No. 1287 of the Amalgamated Transit Union, AFL-CIO (the "Union"), hereby restate in its entirety and amend in part the Kansas City Area Transportation Authority Union Employees' Funded Pension Plan (the "Plan"), which was initially effective as of November 1, 1971. Unless otherwise specified, the effective date of this Restatement is January 1, 2009. The Plan as herein set forth, and as it may be amended from time to time, is intended to qualify under Section 401(a) of the Internal Revenue Code (the "Code"), and to satisfy those provisions applicable to a "governmental plan," as defined in Section 414(d) of the Code. Notwithstanding any other provision of this instrument, the Authority and the Union agree to make any amendments to the Plan that may be necessary to obtain or retain such qualified status.

## ARTICLE I

### DEFINITIONS

The terms used in the Plan shall have their usual everyday meanings, unless the context clearly requires otherwise. As used in this Plan, the following terms shall have the meaning specified in this Article, unless a different meaning is clearly required by the context.

1.1 “Actuarial Equivalent” means equivalence in value of the aggregate amounts expected to be received under different forms of payment, based upon the following interest and mortality assumptions:

(a) Early Retirement Pension. The reduction in the amount of an Early Retirement Pension described in Subsection 3.3(b) shall be based on an interest rate of seven and one-half percent (7.5%) and the 1971 Group Annuity Mortality Tables.

(b) Life and Ten-Year Certain Annuity. The value of a Life and Ten-Year Certain Annuity described in Subsection 3.7(a) shall be based on an interest rate of seven and one-half percent (7.5%) and the 1983 Group Annuity Mortality Tables, blended fifty percent (50%) for males and fifty percent (50%) for females.

(c) Joint and Survivor Annuity. The value of a Joint and Survivor Annuity described in Subsection 3.7(b) shall be based on an interest rate of seven and one-half percent (7.5%) and the 1983 Group Annuity Mortality Tables, blended fifty percent (50%) for males and fifty percent (50%) for females.

(d) Lump-Sum Payment. The lump-sum present value of a Participant’s accrued benefit under this Plan, for purposes of Section 2.6, Subsection 3.7(c), and Section 3.10, shall be based on an interest rate of seven and one-half percent (7.5%) and the 1983 Group Annuity Mortality Tables, blended fifty percent (50%) for males and fifty percent (50%) for females.

(e) Reemployment of Retired Participant. The reduction in the amount of a reemployed Participant’s final pension benefit pursuant to Section 3.9 shall be based on an interest rate of seven and one-half percent (7.5%) and the 1983 Group Annuity Mortality Tables, blended fifty percent (50%) for males and fifty percent (50%) for females.

1.2 “Authority” means the Kansas City Area Transportation Authority, a body corporate and politic and a political subdivision of the States of Missouri and Kansas.

1.3 “Average Monthly Earnings” means an amount equal to a Participant’s Earnings for the five (5) calendar years in which such Earnings were the highest, divided by sixty (60). If a Participant has fewer than five (5) full calendar years of employment as an Eligible Employee his or her “Average Monthly Earnings” shall be his or her total Earnings during such employment, divided by the total number of months of such employment.

1.4 “Code” means the Internal Revenue Code of 1986, as amended.

1.5 “Continuous Service” means uninterrupted employment with the Authority (or any predecessor), excluding any part-time collectively bargained employment that does not constitute service as an Eligible Employee. Employment shall be deemed to be interrupted, and Continuous Service broken, by the occurrence of any of the following:

- (a) The employee voluntarily terminating employment with the Authority;
- (b) A discharge from employment, unless the employee is later reinstated with no loss of seniority;
- (c) A layoff under the terms of the Labor Agreement, in effect at the time, if the nature or duration of such action results in permanent loss of seniority rights; or
- (d) Continued absence for any reason that results in permanent loss of seniority rights.

Continuous Service shall not be considered interrupted by absence because of illness, injury or approved leave of absence, unless one or more such conditions results in the occurrence of one of the events specified in any of Subsections (a) through (d); nor shall Continuous Service be considered interrupted if any employee is on leave of absence to hold office in or to perform duties for the Union, either Local or International, or appointed to fill any office affiliated with the AFL-CIO Local or International, the Greater KC Labor Council, or the Missouri State Labor Council.

Notwithstanding any provision of this 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).

1.6 “Credited Service” means the sum of a Participant’s Past Service and Future Service, as those terms are defined below.

- (a) Past Service. Credited Service for Past Service for any Participant shall mean all years of Continuous Service with the Authority, or any predecessor, prior to November 1, 1971.
- (b) Future Service. A Participant shall accrue Credited Service for Future Service beginning with the first day of the month coinciding with or next following the date he or she becomes an Eligible Employee, or November 1, 1971, whichever is later, and ending with the date the Participant ceases to be an Eligible Employee.

Credited Service for Future Service shall accrue for each week (1/52nd of a calendar year) in which a Participant:

- (i) receives wages from the Authority;
- (ii) receives a weekly indemnity allowance as provided for under the then-applicable Labor Agreement;

(iii) is absent on a leave of absence granted by the Authority because of sickness, injury, or any other authorized leave of absence in accordance with the provisions of the then-applicable Labor Agreement;

(iv) is on leave of absence as provided in and subject to Section 2.2; or

(v) has been discharged by the Authority but is later reinstated with no loss of seniority.

(c) Paratransit Call Center Bargaining Unit. Eligible Employees who are members of the Paratransit Call Center as of September 1, 2004, will be credited with Past Service or Future Service, as applicable, depending on the dates of employment, for all years and months of credited service recognized by the Salaried Plan as of September 1, 2004. In conjunction with this crediting of service, assets equal to the actuarial value of the Salaried Plan accrued benefit for each Paratransit Call Center bargaining unit member as of September 1, 2004, were transferred to this Plan to fund the benefits for which such bargaining unit members will be eligible.

1.7 “Deferred Vested Pension” means the monthly pension benefit described in Subsection 3.3(d).

1.8 “Disability Pension” means the monthly pension benefit described in Subsection 3.3(c).

1.9 “Disability Retirement Date” means, with respect to a Participant, the first day of the first month as of which a Disability Pension is payable.

1.10 “Early Retirement Pension” means the monthly pension benefit described in Subsection 3.3(b).

1.11 “Earnings” means a Participant’s “Box 1” W-2 earnings from the Authority, reduced by any allowances, incentives, or awards reflected in Box 1, plus all amounts excludable from the Participant’s gross income under any of Sections 125, 414(h), and 457(b) of the Code. Notwithstanding the preceding sentence, Earnings shall include any holiday allowances and shall exclude any cash reimbursements made to Participants in this Plan who waive coverage under the Authority’s medical plan.

For any Plan Year beginning after December 31, 2001, no more than two hundred thousand dollars (\$200,000) in Earnings will be taken into account. For purposes of determining benefit accruals in any Plan Year beginning after December 31, 2001, a Participant’s Earnings for any Plan Year beginning before December 31, 2001, shall be limited to two hundred thousand dollars (\$200,000). The two hundred thousand dollar (\$200,000) limit on Earnings described in the first sentence of this paragraph shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code.

1.12 “Eligible Employee” means an employee of the Authority who is:

(a) in a bargaining unit represented by the Union;

(b) not a Probationary or Temporary Employee, as those terms are defined in the Labor Agreement; and

(c) either a full-time employee or a part-time employee in the Office-Clerical Seniority Unit (as defined in the Labor Agreement).

1.13 “Labor Agreement” means the Agreement between Local No. 1287, Amalgamated Transit Union, and the Kansas City Area Transportation Authority (including any successor agreement thereto), the provisions of which are incorporated into this Plan by this reference.

1.14 “Normal Retirement Date” has the meaning ascribed to that term in Subsection 3.1(a).

1.15 “Normal Retirement Pension” means the monthly pension benefit described in Subsection 3.3(a).

1.16 “Participant” means each individual who was an Eligible Employee as of November 1, 1971, or who thereafter becomes an Eligible Employee, and shall include any former Eligible Employee who might still be entitled to receive a benefit under the Plan.

1.17 “Pension Committee” or “Committee” means the Pension Committee of the Plan, appointed and acting in accordance with Article IV.

1.18 “Pension Starting Date” means the first day of the first month for which a pension is payable, determined in accordance with the provisions of Article III and Section 4.4.

1.19 “Plan” means the Kansas City Area Transportation Authority Union Employees’ Funded Pension Plan, as set forth herein.

1.20 “Plan Year” means any period of twelve (12) consecutive months beginning on any November 1 before 1993; the two consecutive month period beginning on November 1, 1993, and ending on December 31, 1993; and each calendar year thereafter. The short plan year beginning on November 1, 1993, and ending on December 31, 1993, shall be disregarded with respect to each Participant’s Continuous Service Credit, Credited Service for Future Service, and benefit accruals.

1.21 “Salaried Plan” means the KCATA Salaried Employees’ Pension Plan.

1.22 “Totally and Permanently Disabled” means, with respect to a Participant, that the Participant can no longer perform his or her regular duties for the Authority or the duties of any classification within the bargaining unit which he or she could hold according to his or her seniority and qualifications.

1.23 “Trust” means the trust established under an agreement among the Authority, the Union, and a designated financial institution (or any successor trustee), to hold, invest, and disburse the contributions of the Authority and Participants in accordance with the provisions of this Plan.

1.24 “Trustee” means the trustee, from time to time, of the Trust. If there is more than one Trustee, this word shall refer collectively to the Trustees or to any one of them, depending on the context.

1.25 “Trust Fund” means the property held, from time to time, by the Trustee under the terms and provisions of the Trust.

1.26 “Union” means Local No. 1287, Amalgamated Transit Union, AFL-CIO.

**ARTICLE II**  
**CONTRIBUTIONS**

2.1 Contribution Rates.

(a) Authority Contributions. The Authority will make a contribution to the Trust Fund for each Participant for each week in which the Participant accrues Credited Service for Future Service. Notwithstanding the foregoing, the Authority will make contributions to the Trust Fund at a rate determined in accordance with the then-applicable Labor Agreement. For purposes of this Section, each paid holiday, as well as days of paid vacation, shall be counted in computing weeks for which contributions are payable. Contributions were made by the Authority commencing as of the week beginning June 4, 1972.

(b) Participant Contributions. Each Participant shall contribute to the Plan an amount or percentage of his or her Earnings, as stated in the then-applicable Labor Agreement, for each week in which such Participant receives wages from the Authority (in which case the Authority shall deduct such contributions from the Participant's wages and transmit them to the Trustee within ten (10) days following the close of each month).

After December 31, 1995, contributions made by Participants shall be picked up and paid by the Authority, as provided in Section 414(h) of the Code, with the Participant's gross income being reduced by the amount of the Participant contributions picked up by the Authority. The Participant's contribution picked up by the Authority under this Section 2.1 shall be allocated to the Trust Fund in the same manner as if it had been paid directly to the Plan by the Participant.

2.2 Leave of Absence with the Union or the Union's International Office. During any period in which a Participant is on leave of absence to hold office in or perform duties for either the Union (Local or International) or to fill any appointed office affiliated with the AFL-CIO (Local or International), the Greater KC Labor Council, or the Missouri State Labor Council (collectively, "Union Affiliates"), such Participant shall continue to accrue Credited Service. During any such period, the Authority shall make contributions to the Trust Fund on such Participant's account as provided in Section 2.1. Each such Participant shall contribute the amount determined in accordance with the then-applicable Labor Agreement, for each week worked for the Union or the Union Affiliate. The Union or the Union Affiliate, as the case may be, shall transmit such Participant contributions to the Trustee.

2.3 Retroactive Payment of Participant Contributions. This Section 2.3 applies to each Participant who either returns to employment with the Authority or immediately retires after he or she:

(a) has been receiving a weekly indemnity allowance as provided for under the then-applicable Labor Agreement;

(b) has been absent on a leave of absence granted by the Authority because of sickness, injury, or any other authorized leave of absence in accordance with the provisions of the then-applicable Labor Agreement; or

(c) has been discharged by the Authority but is later reinstated with no loss of seniority.

When such an absence ends, whether through return to work or retirement, such a Participant shall pay to the Authority, for transmittal to the Trustee, an amount equal to the amount determined in accordance with the then-applicable Labor Agreement for each week such Participant was absent from work. Such retroactive Participant contributions shall bear interest at the rate of five percent (5%), compounded annually and accruing from the date each contribution would have been made (if not for the absence) through the date the contribution is actually made.

If the Participant returns to employment with the Authority following such an absence, the aggregate amount shall be payable by the Participant through payroll deduction, in equal pay period installments and amortized over a period not to exceed three (3) years, or over such other period as may be determined by the Pension Committee. If the Participant does not return to work at the end of such absence, but instead retires and begins to receive monthly payments of his or her pension benefit under the Plan, the aggregate amount shall instead be deducted from his or her monthly pension over the same period; or, if such a Participant receives his or her pension benefit under the Plan in a single lump-sum payment, the aggregate amount shall be deducted in its entirety from such lump-sum payment.

#### 2.4 Refunds of Participant Contributions.

(a) No Participant Loans. No Participant shall be entitled to borrow against his or her contributions to the Plan.

(b) Nonvested, Terminated Participant. Any nonvested Participant who terminates employment with the Authority shall receive a refund of his or her total contributions to the Fund, with interest thereon computed at five percent (5%), compounded annually, less any benefit payments that he or she may have received. Such refund shall be made, regardless of whether the Participant consents to the distribution, as soon as is administratively practicable, but in no event later than six (6) months after the Participant's termination of employment with the Authority. If such distribution is in an amount greater than \$1,000, it shall be made in a direct rollover to an individual retirement account designated by the Pension Committee, unless the Participant timely elects to either receive it directly in cash or to have it paid in a direct rollover to an eligible retirement plan that he or she designates. If such a Participant was discharged by the Authority and is later reinstated with no loss of seniority, the provisions of Section 2.7 shall apply at the time of such reinstatement.

(c) Death of Vested Participant Before Pension Starting Date. If a vested Participant dies before he or she is entitled to begin receiving a retirement or Disability Pension under this Plan, there shall be paid from the Fund to such beneficiary or beneficiaries as the Participant shall have designated, or if no such beneficiary shall have been designated, then to the Participant's spouse, if living, or if not, equally to the Participant's then-surviving children, or, if none, to the Participant's estate, a lump sum equal to the Participant's total contributions to the Fund, with interest thereon computed at five percent (5%), compounded annually.

(d) Death of Participant After Pension Starting Date. If a Participant dies after he or she has begun receiving a pension under this Plan as either a Joint and Survivor Annuity or a Life and Ten-Year Certain Annuity, and the joint pensioner or beneficiary designated by the Participant under Section 3.8 also dies, there shall be paid from the Fund to such beneficiary or beneficiaries as the Participant shall have designated under Subsection (e), or if no such beneficiary shall have been designated, then to the Participant's spouse, if living, or, if not, equally to the Participant's then-surviving children, or, if none, then to the Participant's estate, a lump sum equal to the amount by which the aggregate of the Participant's contributions to the Fund, together with interest thereon, computed at five percent (5%), compounded annually, have exceeded the aggregate of all payments that have been made on the Participant's behalf under the Plan.

(e) Designation of Beneficiary. Any Participant may from time to time designate, in writing, any person or persons, contingently or successively, to whom the Trustee shall pay the amount specified in Subsection (c) or (d) in the event of the Participant's death. The Pension Committee shall prescribe the form for the written designation of beneficiary and, upon the Participant's filing of the form with the Pension Committee, the form effectively shall revoke all designations filed prior to that date by the same Participant.

(f) Pre-Tax Contributions. The refund of a Participant's contributions to the Fund pursuant to Subsections (b), (c), and (d) shall include any contributions by the Participant that are picked up and paid by the Authority as provided in Subsection 2.1(b).

2.5 Authority's Contributions Irrevocable. The Authority shall have no right, title, or interest in the Trust Fund or in any part thereof, and no contributions made thereto shall revert to the Authority. In the event of a permanent discontinuance of contributions by the Authority, the right of every Participant to the benefits he or she has accrued as of the date of such discontinuance shall become nonforfeitable, to the extent that the assets of the Trust Fund are sufficient to provide such benefits.

2.6 Transfer out of Bargaining Unit. If a Participant is transferred to employment with the Authority for which contributions to this Plan are not required and thereafter becomes eligible to participate in the Salaried Plan, his or her benefit under this Plan shall be transferred and distributed in accordance with Subsections (a), (b), and (c). Such distribution and transfer shall be made as soon as administratively practicable after the date on which the Participant begins to participate in the Salaried Plan.

(a) Refund of Participant After-Tax Contributions. An amount equal to the sum of the Participant's contributions that were included in his or her gross income in the year in which they were made (*i.e.*, after-tax contributions attributable to service before January 1, 1996), plus interest at five percent (5%), compounded annually, shall be distributed to the Participant in a single, lump-sum payment.

(b) Transfer of Participant Pre-Tax Contributions. An amount equal to the sum of the Participant's contributions that were not included in his or her gross income in the year in which they were made (*i.e.*, pre-tax contributions attributable to service after December 31, 1995), plus interest at five percent (5%), compounded annually, shall be transferred to the

Salaried Plan, thereafter to be separately accounted for, credited with five percent (5%) interest, compounded annually, and distributed to the Participant upon his or her termination of employment with the Authority.

(c) Additional Transfer. The Actuarial Equivalent of the Participant's accrued benefit (determined as of the date he or she becomes a participant in the Salaried Plan), less any amounts distributed or transferred pursuant to Subsections (a) and (b), shall be transferred to the Salaried Plan. In determining the amount of such transfer, the Participant's vested or nonvested status shall be disregarded.

(d) Correction of Impermissible Distributions of Pre-Tax Amounts. If a Participant received an impermissible refund of his or her pre-tax contributions, as described in Subsection (b), while still actively employed by the Authority, no amount shall be transferred to the Salaried Plan pursuant to Subsection (c), nor shall the Participant be entitled to a refund equal to his or her pre-tax contributions plus interest from the Salaried Plan upon his or her termination of employment with the Authority, unless such Participant first repays to this Plan the amount erroneously refunded, plus interest from the date of distribution at five percent (5%), compounded annually.

Furthermore, if the Actuarial Equivalent of the accrued benefit of a Participant who fails to make such a repayment (determined as of the date he or she begins to participate in the Salaried Plan) is greater than the sum of the after-tax and pre-tax employee contributions (plus interest) refunded to him or her, only the difference shall be transferred to the Salaried Plan pursuant to Subsection (c). If the Actuarial Equivalent of such a Participant's accrued benefit, determined as of such date, is less than the sum of the after-tax and pre-tax employee contributions (plus interest) refunded to him or her, then no amount shall be transferred to the Salaried Plan pursuant to Subsection (c), and no further benefit shall be payable to the Participant under this Plan.

Upon the completion of all distributions and transfers required under Subsections (a), (b), and (c), as well as any corrections required under Subsection (d), the Participant shall cease to be a Participant and shall have no further right to benefits under this Plan. In determining such a former Participant's accrued benefit under the Salaried Plan, that Plan shall treat the former Participant's Continuous Service under this Plan as "Credited Service," as that term is defined in the Salaried Plan, and shall not apply any benefit offset that might otherwise apply under that Plan. In no event shall the Participant's accrued benefit under the Salaried Plan, determined immediately after the transfer, be less than his or her accrued benefit under this Plan, determined immediately prior to the transfer. If such a former Participant returns to the bargaining unit and again becomes a Participant in this Plan, the transfers made to the Salaried Plan under this Section shall not be rescinded, and such Participant shall be deemed a new employee for purposes of accruing Credited Service for Future Service under this Plan.

2.7 Reinstatement of Discharged Participants. If a Participant who has been discharged by the Authority is later reinstated with no loss of seniority, such that there is no break in the Participant's Continuous Service, the following provisions shall apply (and the provisions of Section 3.9 shall not apply):

(a) The Participant's Credited Service shall be calculated as though the discharge had never occurred;

(b) The Participant shall be required to make up the contributions that he or she would have made if not for the discharge (in accordance with Section 2.3); and

(c) The Participant shall repay to Trustee any amount distributed to the Participant subsequent to the discharge and prior to the reinstatement (whether such payment is made under Subsection 3.7(c) or Subsection 2.4(b)), plus interest on such amount at the rate of five percent (5%), compounded annually and accruing from the date of each distribution through the date such amount has been repaid in full. Such repayment shall be effected in the manner described in Section 2.3.

## **ARTICLE III**

### **BENEFITS**

#### **3.1 Retirement Dates and Requirements.**

(a) **Normal Retirement.** A Participant who terminates employment with the Authority on or after his or her Normal Retirement Date shall be entitled to a Normal Retirement Pension. For Participants first employed by the Authority prior to November 1, 1972, the Normal Retirement Date shall be the first day of the month coinciding with or next following the Participant's attainment of age sixty-two (62). For Participants first employed by the Authority on or after November 1, 1972, the Normal Retirement Date shall be the first day of the month coinciding with or next following the Participant's attainment of age sixty-two (62) and completion of ten (10) years of Continuous Service. A Participant's Normal Retirement Date shall also include the first day of the month coinciding with or next following the Participant's attainment of age sixty (60) and completion of at least thirty (30) years of Continuous Service.

(b) **Early Retirement.** Participants who accrue any Credited Service on or after September 1, 1992, shall be eligible for an Early Retirement Pension beginning the first day of the month coinciding with or next following the Participant's attainment of age fifty-five (55) and completion of at least fifteen (15) years of Continuous Service (his or her "Early Retirement Date"), provided he or she has terminated employment with the Authority.

(c) **Disability Retirement.** A Participant who becomes Totally and Permanently Disabled, as substantiated by medical evidence and the other conditions provided in Section 3.6, shall be granted a Disability Pension if:

(i) the Participant has at least ten (10) years of Continuous Service; or

(ii) the Participant has at least five (5) years of Continuous Service and the disability is due to an occupational injury or illness.

**3.2 Deferred Vested Pension.** A Participant shall be eligible for a Deferred Vested Pension if his or her employment with the Authority is terminated after he or she has completed ten (10) years or more of Continuous Service. Any forfeitures shall not be applied to increase the benefit any Participant would otherwise receive under the Plan.

#### **3.3 Amount of Pension.**

(a) **Normal Retirement.** The monthly pension amount payable on a Participant's Normal Retirement Date, to be paid during the lifetime of a Participant, shall be as follows:

(i) If the Participant's Pension Starting Date is on or after September 1, 1992, but before January 1, 1996: nine-tenths of one percent (.9%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(ii) If the Participant's Pension Starting Date is on or after January 1, 1996, but before January 1, 2000: one percent (1%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(iii) If the Participant's Pension Starting Date is on or after January 1, 2000: one and 28/100ths of one percent (1.28%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(b) Early Retirement. A Participant who meets the requirements for an Early Retirement Pension shall be eligible to elect a monthly pension that is computed in the same manner as the benefit described in Subsection 3.3(a), but then reduced (based on the years and completed calendar months by which his or her Early Retirement Date precedes his or her Normal Retirement Date) to the Actuarial Equivalent of such benefit.

(c) Disability Retirement. The monthly pension amount payable on a Participant's Disability Retirement Date, to be paid during the lifetime of a Participant, shall be as follows:

(i) If the Participant becomes entitled to a Disability Pension on or after September 1, 1992, but before January 1, 1996: nine-tenths of one percent (.9%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(ii) If the Participant becomes entitled to a Disability Pension on or after January 1, 1996, but before January 1, 2000: one percent (1%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(iii) If the Participant becomes entitled to a Disability Pension on or after January 1, 2000: one and 28/100ths of one percent (1.28%) of the Participant's Average Monthly Earnings multiplied by his or her years of Credited Service.

(d) Deferred Vested Pension. A Participant who meets the requirements for a Deferred Vested Pension (as set forth in Section 3.2) shall receive a monthly pension computed in the same manner as the benefit described in Subsection 3.3(a), but considering only his or her Credited Service prior to his or her termination of employment and using the benefit multiplier specified in the Plan as of the date of such termination of employment. A Participant's Deferred Vested Pension shall commence as of the earlier of the Participant's Normal Retirement Date or the date he or she elects to receive a lump-sum payment pursuant to Subsection 3.7(c), but in no event prior to his or her filing of a proper request for pension payments, as provided in Section 4.2.

3.4 Benefit Increases. The amounts provided for in Subsections 3.3(a) and 3.3(c) shall be payable on and after September 1, 1992, to retired or disabled Participants who retired or became disabled after December 1, 1989, provided such amounts will have the effect of increasing such Participants' monthly pension. The amount of the monthly pension payable to Participants who retired or became disabled on or before December 1, 1989, shall be increased by five percent (5%), effective September 1, 1992. The amount of the monthly pension payable to Participants who retired

or became disabled on or before December 31, 1999, shall be increased by two percent (2%), effective as of June 1, 2000.

3.5 Paratransit Call Center Participants. Any Participant who was a member of the Paratransit Call Center bargaining unit and vested in the Salaried Plan as of September 1, 2004, shall receive a benefit under this Plan (whether as a Normal Retirement Pension, a Disability Pension, a Deferred Vested Pension, an Early Retirement Pension, or as an amount payable upon the death of an active Participant in this Plan, to the extent any benefit is otherwise payable as a death benefit under other provisions of this Plan) that is equal to the greater of the amount otherwise payable under this Plan or the amount of such Participant's vested Salaried Plan benefit as of September 1, 2004. Any such benefit will be paid by this Plan. This provision does not create in any Participant a right to receive any benefit not otherwise payable under this Plan, except to provide that any Participant who was a member of the Paratransit Call Center bargaining unit on September 1, 2004, and who was vested in the Salaried Plan as of such date shall receive a benefit under this Plan that is no less than the amount of such Participant's vested benefit under the Salaried Plan as if such Participant had terminated employment as of September 1, 2004.

3.6 Conditions for Disability Pension. A Participant who becomes Totally and Permanently Disabled while an Eligible Employee shall be granted a Disability Pension on the terms hereinafter specified, provided he or she satisfies the requirements of Subsection 3.1(c).

(a) Application. An application for a Disability Pension shall be granted only when the Participant meets the requirements as to Continuous Service and Total and Permanent Disability. Application for a Disability Pension shall be filed on or before the first day of a month to be effective on the first day of the following month.

(b) Determination of Disability.

(i) Work-Related. A Participant who incurs a disability that is due to an occupational injury or illness must establish the occupational nature of the disability to the Committee's satisfaction. Such a Participant must also submit to an examination by a licensed doctor designated or approved (and paid) by the Authority, who shall certify whether or not said Participant is Totally and Permanently Disabled. In the event that said doctor does not certify that the Participant is Totally and Permanently Disabled, the Participant has the right to consult a licensed doctor of his or her own choosing and at his or her own expense. If the Participant's doctor certifies that said Participant is Totally and Permanently Disabled, then the Participant's doctor shall confer with the doctor designated by the Authority, and if the two doctors agree that the Participant is Totally and Permanently Disabled, the Participant shall be determined to be Totally and Permanently Disabled. However, in the event the doctors cannot agree, they shall designate a third licensed doctor who will examine the Participant, and his or her decision as to whether or not said Participant is Totally and Permanently Disabled shall be binding. If the doctors cannot agree on a third licensed doctor, then a request shall be made for a selection of a third doctor by the Jackson County Medical Society. The doctor chosen by the Medical Society will then examine the Participant and determine whether or not said Participant is Totally and Permanently Disabled, and his or her decision shall be

binding on all parties. All expenses incurred in the selection and appointment of a third doctor shall be paid out of the Trust Fund.

(ii) Non-Work-Related. If a Participant incurs a disability that is not work-related, the Participant must submit two concurring medical opinions that the Participant is Totally and Permanently Disabled.

(c) Recovery from Disability. If, after a Disability Pension has been granted hereunder, the Total and Permanent Disability upon which it has been based ceases, so that the Participant is able to engage in his or her regular work or any work within the bargaining unit which he or she could hold according to his or her seniority and qualifications, he or she shall so notify the Authority and shall submit to an examination by a licensed doctor designated or approved by the Authority, if it so requests; and if said doctor certifies after such examination that the Participant is able to resume work for the Authority in a job as set forth above, the Participant shall resume work for the Authority, with no loss of seniority or Authority service record, and the Disability Pension shall cease as long as such work is made available and the Participant is physically able to do same; provided, however, if a question arises concerning the ability of the Participant to resume work, the Participant shall follow the same procedure as set forth in Subsection (b). If such a reemployed retiree had elected to receive his or her Disability Pension in the form of a single, lump-sum payment, his or her final pension benefit shall be reduced by the Actuarial Equivalent of the monthly pension payments that would have been suspended during the Participant's period of reemployment had he or she or she elected to receive his or her original pension benefit in the form of a single-life annuity benefit. Should the Participant refuse to resume work for the Authority in the job classification offered after becoming certified as able to do so, the Disability Pension shall cease. A Participant receiving a Disability Pension who becomes gainfully employed shall promptly notify the Pension Committee of such employment.

(d) Job Loss After Voluntary Transfer. Participants approved for a Disability Pension because they can no longer perform their regular duties who request a voluntary transfer to other work and, through job abandonments or layoffs, can no longer hold a job in the classification to which they are transferred will be permitted to receive a Disability Pension.

(e) Application During Leave of Absence. A Participant who is on sick leave and claims a Disability Pension must apply therefor within one (1) year after the commencement of said leave, and any disability determined to exist during the year following a one (1) year leave of absence must be for, or produced by, the same disability that was the cause of the original leave of absence granted preceding the application for a Disability Pension. Failure to comply with this Subsection shall cause a forfeiture of all rights to a Disability Pension.

(f) Illegal Drug Use or Intentional, Self-Inflicted Injury. Disability arising as a result of illegal use of drugs or intentional, self-inflicted injuries shall not be considered as proper grounds for granting a Disability Pension.

3.7 Optional Forms of Pension. In lieu of the amount and form of the pension payable to a Participant for life on his or her normal retirement, early retirement, or disability retirement, or

upon the attainment of his or her Normal Retirement Date while eligible for a Deferred Vested Pension, a Participant may, upon written request before his or her retirement, elect to receive his or her pension in one of the forms of payment specified in Subsections (a), (b), or (c), each of which shall be the Actuarial Equivalent of the pension benefit the Participant would otherwise receive.

(a) Life and Ten-Year Certain Annuity. A pension of a lesser amount shall be payable to the Participant for his or her life and, in the event of his or her death within the period of ten (10) years after his or her retirement, the same lesser amount shall be payable for the remainder of such period to the Participant's beneficiary.

(b) Joint and Survivor Annuity. A pension of a lesser amount shall be payable to the Participant during his or her lifetime and, following his or her death, either such lesser amount, one-half ( $\frac{1}{2}$ ) of such lesser amount, or three-fourths ( $\frac{3}{4}$ ) of such lesser amount, as the Participant shall specify in his or her election, shall be payable to his or her joint pensioner for the life of such joint pensioner; provided, however, that the value of the payments expected to be paid to the Participant while living shall be at least equal to one-half ( $\frac{1}{2}$ ) of the value of the total benefits expected to be paid to both the Participant and his or her joint pensioner. Should the designated joint pensioner predecease the Participant, the Participant's monthly payments shall be increased to the amount he or she would have received had he or she not elected an optional form of payment.

(c) Lump Sum. A single lump-sum payment shall be payable to the Participant, in an amount equal to the greater of (a) the Participant's contributions to the Plan plus interest thereon (as provided in Section 2.4), or (b) the Actuarial Equivalent of the pension benefit the Participant would otherwise receive. A Participant who is eligible for a Deferred Vested Pension, and who terminates from Continuous Service, may elect to receive his or her pension in this form at any time. If such a Participant was discharged by the Authority and is later reinstated with no loss of seniority, the Provisions of Section 2.7 shall apply at the time of such reinstatement.

3.8 Designation of Beneficiary or Joint Pensioner. A Participant who elects an optional form of pension under either of Subsections 3.7(a) or (b) shall designate the beneficiary or joint pensioner, as the case may be, at the time that he or she makes application for retirement. After the Participant's election of an optional form of pension has been filed with the Pension Committee, it cannot be changed or revoked without the approval of the Pension Committee, but the consent of the beneficiary or joint pensioner originally designated by the Participant shall not be required in the event of such change or revocation. If either the Participant or the beneficiary or joint pensioner designated by him or her should die before the pension has become effective, then the Participant's election of an optional form of payment shall become void. In the event a benefit is payable to a beneficiary under Subsection 3.7(a) and there is no living designated beneficiary, such benefit shall be paid to the beneficiary designated by the Participant pursuant to Subsection 2.4(e) or, if no such beneficiary is then living, to the first of the surviving classes of beneficiaries listed in Subsection 2.4(d).

3.9 Reemployment of Retired Participant. Any monthly pension payments shall be suspended during any period in which a retired Participant returns to active service with the Authority. For this purpose, "active service" shall refer only to employment for which Credited

Service is granted. Upon such a reemployed retiree's subsequent termination of employment, he or she or she shall be entitled to a pension benefit recomputed on the basis of his or her total Credited Service, including Credited Service for the period of the reemployment, as though such service were Continuous Service, provided that all other terms and conditions for retirement are observed. Such a Participant's final pension benefit shall, however, be reduced by the Actuarial Equivalent of the monthly pension payments (or lump-sum payment) received by the Participant prior to the Participant's return to active service with the Authority. The provisions of this Section shall not apply to a Participant who was discharged by the Authority and later reinstated with no loss of seniority.

### 3.10 Death Benefits.

(a) January 1, 2000, Through September 30, 2003. If a vested Participant who is actively employed by the Authority dies after December 31, 1999, and before October 1, 2003, in lieu of the refund of Participant contributions described in Subsections 2.4(c) or (d), the Fund shall pay to such Participant's designated beneficiary or beneficiaries an amount equal to the greater of (i) the Participant's contributions to the Fund, together with interest thereon computed at five percent (5%), compounded annually to the date of his or her death, or (ii) an amount equal to one hundred percent (100%) of the Actuarial Equivalent of the Participant's vested accrued benefit under the Plan, calculated as if he or she had terminated employment on the date of his or her death. If the Participant had not designated any beneficiary, or if his or her designated beneficiaries all predecease him, this death benefit shall be paid to his or her spouse, if living, or, if not, then equally to his or her then-surviving children, or, if none, to his or her estate. Such death benefit shall be made available for distribution, at a beneficiary's election, in one or more lump-sum payments, as soon as administratively practicable after the Participant's death; provided, however, that no interest shall be payable in connection with such a distribution due to a beneficiary's election to defer receipt thereof.

(b) On and After October 1, 2003. The provisions of this Subsection 3.10(b) shall apply only with respect to a vested Participant who dies on or after October 1, 2003, while actively employed by the Authority. In lieu of the refund of Participant contributions described in Subsections 2.4(c) or (d), the Fund shall pay to such Participant's designated beneficiary or beneficiaries an amount equal to the greater of (i) the Participant's contributions to the Fund, together with interest thereon computed at five percent (5%), compounded annually to the date of his or her death, or (ii) fifty percent (50%) of the Actuarial Equivalent of the Participant's vested accrued benefit, calculated as if he or she had terminated employment on the date of his or her death. If the Participant had not designated any beneficiary, or if his or her beneficiaries all predecease him, then this death benefit shall be paid to his or her spouse, if living, or, if not, then equally to his or her then-surviving children, or, if none, to his or her estate. Such death benefit shall be distributed in a lump-sum payment, as soon as administratively practicable after the Participant's death.

(c) Death After Termination of Employment. No death benefit shall be payable under this Section 3.10 on account of the death of any Participant who has previously terminated employment with the Authority. Instead, Subsection 2.4(c) or (d) shall apply to

provide a refund of such a Participant's contributions, less the amount of any payments already made to him or her.

3.11 Direct Rollovers. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 3.11, a "distributee" may elect, at the time and in the manner prescribed by the Pension Committee, to have any portion of an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the distributee in a "direct rollover." For purposes of this Section 3.11, the following terms shall have the meaning ascribed to them below:

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

Notwithstanding the preceding sentence, a portion of a distribution will not fail to be an eligible rollover distribution merely because that portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or 408(b), a qualified plan described in Code Section 401(a) or 403(a), or a tax-sheltered annuity plan described in Code Section 403(b) that agrees to separately account for amounts so transferred, 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.

(b) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, a Roth IRA described in Section 402A(b) of the Code, a qualified retirement plan described in either of Sections 401(a) or 403(a) of the Code, a tax-sheltered annuity plan described in Section 403(b) of the Code, or an eligible plan under Section 457(b) of the Code which is maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective January 1, 2008, an "eligible retirement plan" shall also include a Roth IRA, as defined in Code Section 408A(b), and, for purposes of distributing a death benefit payment to a nonspouse beneficiary, an individual retirement plan that will be treated as an inherited IRA under Code Section 402(c)(11).

(c) A "distributee" includes an employee or former employee of the Authority who is a Participant. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are

distributees with regard to the interest of the spouse or former spouse. Effective January 1, 2008, for purposes of distributing a death benefit payment to an individual retirement plan that will be treated as an inherited IRA under Code Section 402(c)(11), a “distributee” shall also include a nonspouse beneficiary.

(d) A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee (or, as provided in Subsection 2.4(b), the Pension Committee).

3.12 No Duplicate Benefits. A Participant shall be entitled to only one type of benefit under this Plan.

## ARTICLE IV

### ADMINISTRATION

4.1 Composition and Powers of Pension Committee. The Pension Committee shall supervise the management and operation of the Plan. All payments of benefits under this Plan shall be made by the Trustee, in accordance with the written instructions of the Pension Committee.

The Pension Committee shall consist of six (6) members. Three (3) members shall be appointed by the Authority and three (3) by the Union. Each party shall have the right at any time to replace any member appointed by it. In the event of a strike or lockout, the Pension Committee shall continue to function and perform its duties as prescribed by this Plan.

The Pension Committee shall have the power:

- (a) To administer the Plan in accordance with its provisions;
- (b) To make and to change from time to time and to enforce such rules and regulations, consistent with the provisions of this Plan, as may be necessary or desirable for the carrying out of its duties, and for the efficient administration of the Plan; and
- (c) Finally and conclusively to determine, according to the provisions herein set forth, the eligibility of a Participant for retirement under this Plan and, if eligible, his or her rights hereunder.

4.2 Action by Pension Committee; Quorum; Etc. The Pension Committee shall select from its membership a Chairman and a Secretary. The Chairman and the Secretary, notwithstanding their official positions, shall each be entitled to a vote at all meetings of the Pension Committee. In the event of a tie vote by the Pension Committee, the question or questions in issue shall be submitted to a board of arbitration upon demand of either party. The board of arbitration shall be selected in accordance with the procedure for arbitration as set forth in the Labor Agreement, except that the expenses of any such arbitration shall be borne by the Trust Fund.

The Pension Committee shall hold meetings, in person or by telephone conference, at such times as it shall determine, but not less than one (1) meeting a month. A majority of the membership, when present, shall constitute a quorum. The members of the Pension Committee appointed by the Authority and those appointed by the Union shall, each as a group, be entitled to an equal vote or votes in the proceedings of the Pension Committee. Any action to be taken by the Pension Committee pursuant to this Plan shall be taken either by the unanimous written consent of all members (including electronic written consent), by the affirmative vote of both the members appointed by the Union and the members appointed by the Authority at any meeting at which a quorum is present, or by the affirmative vote of both the Union-appointed and Authority-appointed members during any telephone conference in which a quorum participates.

4.3 Pension Committee Reports; Compensation; Indemnification. The Pension Committee shall make an annual report to the Authority and to the Union, and shall make such other reports of the operation of the Plan as the Pension Committee shall deem necessary. The Pension Committee may, at its discretion, employ an actuary and such agents or attorneys as it may deem

desirable for the effective performance of its duties. At least once a year, the Pension Committee shall have an audit made of the funds forwarded to, disbursed by, and held by the Trustee, by a recognized firm of certified public accountants. The Pension Committee shall publish such audit annually.

The Pension Committee shall serve without compensation for service as such. All necessary expenses incurred by the Pension Committee shall be certified by the Pension Committee to the Trustee, which shall pay those expenses out of the Trust Fund. No member of the Pension Committee shall be liable for any action taken or omitted by him or her in good faith, but shall be liable only for any loss or damage due to willful misconduct, and then such liability shall be charged against only the members of the Pension Committee who have individually committed such breach of their duties. Excepting only liability for loss or damage due to willful misconduct, the members of the Pension Committee shall be and are hereby indemnified by the Trust Fund against any and all liability and expenses reasonably incurred in connection with any action to which they may be a party by reason of their membership on the Pension Committee.

#### 4.4 Implementation of Pension Payments.

(a) Request for Pension Payment Required. Notwithstanding any provision of the Plan to the contrary, pension payments shall not commence under the Plan until the applicable retirement date and until a proper request for pension payments shall have been filed with the Pension Committee. Each request for a pension shall be made in writing, on a form provided by the Pension Committee for such purpose, and shall be filed with the Pension Committee at least sixty (60) days in advance of the first month for which benefits are payable.

(b) Required Information to Be Furnished. Each Participant shall furnish to the Pension Committee such information as the Pension Committee considers necessary and desirable for the purpose of administering the Plan, and the provisions of the Plan representing any payments hereunder are conditional upon the prompt submission by the Participant of such true, full, and complete information as the Pension Committee may request pursuant hereto.

4.5 Rights in the Trust Fund. No Participant or other person shall have any interest in or any rights to or under the Trust Fund or to any part of the assets thereof, except as and to the extent expressly provided in the Plan.

4.6 Plan Not Agreement to Employ or to Continue to Employ. The establishment and maintenance of the Plan shall not be construed as conferring any legal rights upon any Participant or Participant to the continuation of his or her employment with the Authority, nor will the Plan interfere with or otherwise affect the right of the Authority to discharge any Participant or participant.

4.7 Records. The Authority shall keep all records, compile all data, receive all applications for pension, and submit such applications to the Pension Committee. The Pension Committee shall have the right at all times to call for additional information concerning any or all applications forwarded to the Pension Committee and to examine all records or data pertaining to the

Plan. These records shall be open to inspection by the members of the Pension Committee in the headquarters office of the Authority, during normal working hours when that office is open.

4.8 Incompetence or Incapacity of Retired Participant. If the Pension Committee reasonably believes that any retired Participant is legally incapable of giving a valid receipt and discharge for a payment due to him or her, the Pension Committee may direct the Trustee to make the payment, or any part thereof, to the person or persons who it reasonably believes are caring for or supporting the retired Participant, unless it has received due notice of a claim from the duly appointed and acting guardian or conservator of the retired Participant. A payment so made will be a complete discharge of the obligations of the Trust Fund, to the extent of and as to that payment, and neither the Pension Committee nor the Trustee shall have any obligations regarding the application of the payment.

4.9 Nonassignment of Benefits. No Participant hereunder shall have the right to assign, alienate, transfer, sell, hypothecate, mortgage, encumber, pledge, or anticipate any pension payments or any portion thereof, and any such assignment, alienation, transfer, sale, hypothecation, mortgage, encumbrance, pledge, or anticipation shall be void.

So that such pension payments or any portion thereof shall not in any way be subject to legal process, execution, attachment, or garnishment, or be used for the payment of any claim against the Participant, or be subject to the jurisdiction of any bankruptcy court or insolvency proceedings by operation of law or otherwise, the Pension Committee shall have the right to terminate or postpone any pension payments to a Participant.

Nothing contained in this Plan prevents the Trustee, in accordance with the direction of the Pension Committee, from complying with the provisions of a qualified domestic relations order, as applied to a governmental plan under Code Section 414(p). Nothing in this Section gives a Participant a right to receive a distribution at a time otherwise not permitted under the Plan, nor does it permit the alternate payee to receive a form of payment not otherwise permitted under the Plan.

The Pension Committee has established reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Pension Committee shall promptly notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Pension Committee shall determine the qualified status of the order and shall notify the Participant and each alternate payee, in writing, of its determination.

Notwithstanding the foregoing provisions, a Participant may give to the Pension Committee written authorization for deduction from benefit payments of amounts for payment of Union dues and assessments, and such deductions may be made in accordance with such authorization and paid over to the Union. No benefit payment shall be made to a Participant who has given such authorization until the Participant has made a complete financial settlement with the Union for dues or assessments outstanding and the Pension Committee has been so notified by the Union.

4.10 Availability of Plan for Inspection. Informational materials in brief form shall be furnished to each Participant to explain the provisions of the Plan. Notwithstanding this, however, a

copy of the Plan shall be available for examination by any Participants upon request, in the headquarters office of the Authority, during normal working hours when the office is open. In the event of any conflict between the information furnished to each Participant and the provisions of the Plan, the terms of the Plan shall govern.

## ARTICLE V

### AMENDMENT AND TERMINATION

5.1 Amendment of the Plan. The Authority and the Union may amend or modify this Plan in accordance with the then-applicable Labor Agreement, except that no amendment or modification shall:

- (a) Cause the use and diversion of any part of the Trust Fund for purposes other than those authorized herein; or
- (b) Retroactively deprive any Participant of his or her vested rights.

Subject to the foregoing limitations, any amendment may be made retroactively effective, which, in the judgment of the Authority and the Union, is necessary or advisable so as to qualify the Trust Fund for exemption from taxes based on income.

5.2 Duration. The Plan as set forth herein shall continue in full force and effect until terminated as provided in Section 6.5. Notwithstanding the foregoing the Plan may be terminated by the Authority and the Union at any time in accordance with the then-applicable Labor Agreement. The Plan shall not automatically terminate upon adjudication by any court of competent jurisdiction that the Authority is bankrupt or insolvent, whether such proceedings be voluntary or involuntary. The Plan shall terminate upon the complete dissolution of the Authority without provisions being made by its successor, if any, for the continuation of the Plan.

## ARTICLE VI

### TRUST FUND AND TRUSTEE

6.1 Trust Fund. A Trust shall be maintained for the purposes of the Plan, and the contributions of the Authority and Participants to the Trust shall be invested in accordance with the terms of the Trust Agreement. The Authority and the Union shall jointly select and appoint a Trustee and any successor Trustee. If the Authority and the Union cannot agree upon a Trustee or a successor Trustee, the matter shall be submitted to arbitration in the manner provided in the then-applicable Labor Agreement. All contributions of the Authority and Participants shall be paid to the Trustee.

6.2 Obligations of the Trustee. The Trustee's obligations, duties and responsibilities are governed solely by the terms of the Trust Agreement among the Trustee, the Authority, and the Union.

6.3 Benefits Supported Only by Trust Fund. Any person having any claim under the Plan shall look solely to the assets of the Trust for satisfaction. In no event will the Authority or the Union, or any of their officers or agents, or the Trustee or any successor Trustee be liable in their individual capacities to any person whomsoever, except as specifically provided in the Plan or Trust Agreement.

6.4 Trust Fund Applicable to Payment of Benefits. The Trust Fund shall be used and applied only in accordance with the provisions of the Plan to provide the benefits thereof, and no part of the corpus or income of the Trust Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits hereunder, except to the extent provided in Section 6.5.

6.5 Termination of Plan and Distribution of Funds.

(a) Although the Authority and the Union intend to maintain the Plan indefinitely, in the event the Plan is abandoned in the future, the Trustee shall determine the assets of the Trust and shall allocate them pursuant to the priority described in (b), below, as certified by the actuary employed by the Pension Committee and based on the valuation made as of the date of such abandonment.

(b) The allocation shall be made in the following order:

(i) An amount shall be allocated to each Participant equal to his or her contributions to the date of abandonment, less any benefits received under the Plan;

(ii) From the remaining balance, an amount shall be allocated to retired Participants and to Participants eligible for normal retirement or disability at the date of abandonment, sufficient to provide for the amount of their allowances as already provided under (i); and

(iii) The remaining balance shall be allocated to the active Participants in proportion to the excess of the actuarial values of their accrued benefits under the Plan over the amounts allowed under (i).

(c) The Trustee shall liquidate the funds of the Trust and the amounts allocated in accordance with (b), above, shall then be apportioned to all such Participants in cash, in the form of insured paid-up annuities, by transfer to another Trust Fund, or otherwise, as the Pension Committee may direct.

## ARTICLE VII

### OTHER PROVISIONS AFFECTING BENEFITS

7.1 Section 415 Limitations. In no event will the benefits payable under the Plan exceed the limitations applicable to the Plan under Code Section 415 and the regulations promulgated thereunder (including any special rules applicable to governmental plans), the provisions of which are hereby incorporated herein by this reference. If benefits payable under any provision of the Plan would exceed such limitations, then, notwithstanding any other provisions of the Plan, such benefits shall be reduced to the extent necessary to ensure that such limitations are not exceeded; provided, however, that if any Participant's benefits under this Plan, in combination with benefits provided under any other defined benefit plan maintained by the Authority, would exceed such limitations, then the benefits provided under this Plan will be reduced only to the extent necessary after benefits under all other such defined benefit plans have been reduced to the maximum extent possible. The applicable mortality table used for purposes of adjusting any benefit or limitation under Code Section 415(b)(2)(B), (C), or (D) shall be the table prescribed in Revenue Ruling 2001-62 (or superseding guidance).

Benefit increases resulting from the increase in the limitations of Section 415(b) of the Code will be provided to Participants who have one (1) or more hour of service on or after the first day of the first limitation year ending after December 31, 2001 (i.e., any Participant who works at least one (1) hour on or after January 1, 2002).

7.2 Minimum Required Distributions. All distributions shall be determined and made in accordance with the provisions of Code Section 401(a)(9), including the minimum distribution incidental death benefit rule of Code Section 401(a)(9)(G), and the regulations promulgated thereunder. This Section sets forth rules concerning when distributions must begin and over what period of time they must be made. Any rules concerning the timing and duration of benefits found in other provisions of the Plan shall be altered only to the extent necessary to avoid violating the rules of this Section. In no event shall these rules be read to provide any option as to the time, manner, or duration of benefits in addition to those found in other provisions of the Plan.

(a) Definitions.

(i) "Designated Beneficiary" means the individual who is a Participant's designated beneficiary under Section 401(a)(9) of the Code and Treasury Regulation Section 1.401(a)(9)-1, Q&A-4.

(ii) "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before a Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after a Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Paragraph 7.2(b)(2).

(iii) “Life Expectancy” means the life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.

(iv) The “Required Beginning Date” of a Participant is the first day of April of the calendar year following the calendar year in which occurs the later of the Participant’s retirement or attainment of age seventy and one-half (70½). Notwithstanding the foregoing, the Required Beginning Date of a Participant who is a “five percent owner” (in accordance with Section 401(a)(9) of the Code) is the first day of April of the calendar year following the calendar year in which the Participant attains age seventy and one-half (70½).

(b) Time and Manner of Distribution.

(i) A Participant’s entire vested interest will be distributed, or begin to be distributed, to the Participant no later than the Participant’s Required Beginning Date.

(ii) If a Participant dies before distributions begin, the Participant’s entire vested interest will be distributed, or begin to be distributed, no later than 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 calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later; provided, however, the surviving spouse may elect to receive the Participant’s entire vested interest by December 31 of the calendar year containing the fifth anniversary of the Participant’s death. Such election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under this Subparagraph (A), or by September 30 of the calendar year which contains the fifth anniversary of the Participant’s death.

(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; provided, however, the Designated Beneficiary may elect to receive the Participant’s entire vested interest by December 31 of the calendar year containing the fifth anniversary of the Participant’s death. Such election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under this Subparagraph (B), or by September 30 of the calendar year which contains the fifth anniversary of the Participant’s death.

(C) If there is no Designated Beneficiary as of the September 30 of the year following the year of the Participant’s death, the Participant’s

entire vested interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(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 7.2(b)(2), other than Subparagraph 7.2(b)(ii)(A), shall apply as if the surviving spouse were the Participant.

For purposes of this Paragraph 7.2(b)(ii) and Subsection 7.2(e), distributions are considered to begin on the Participant's Required Beginning Date (or, if Subparagraph 7.2(b)(ii)(D) applies, the date distributions are required to begin to the surviving spouse under Subparagraph 7.2(b)(ii)(A)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Subparagraph 7.2(b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Unless the Participant's vested interest is distributed in the form of an annuity purchased from an insurance company or in a single lump sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions shall be made in accordance with Subsections 7.2(c), 7.2(d) and 7.2(e). If the Participant's vested 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 Section 401(a)(9) of the Code and the regulations promulgated thereunder.

(c) Determination of Amount to Be Distributed Each Year.

(i) General Annuity Requirements. If the Participant's vested interest is paid in the form of an annuity distribution under the Plan, payments under the annuity will satisfy the following requirements:

(A) the annuity distribution will be paid in periodic payments made at intervals not longer than one year;

(B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in either of Subsections 7.2(d) or 7.2(e);

(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; and

(D) payments will either be nonincreasing or will increase only (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 7.2(d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order with the meaning of Section 414(p) of the Code, (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.

(ii) Amount Required to Be Distributed by Required Beginning Date.

The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under either of Subparagraphs 7.2(b)(ii)(A) or 7.2(b)(ii)(B)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval, even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the 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.

(iii) 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 That Commence During Participant's Lifetime.

(i) If a Participant's vested 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 Regulation Section 1.401(a)(9)-6T, Q&A-2. 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.

(ii) Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain with no 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 Treasury Regulation 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 age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9 plus the excess of 70 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 with no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Subparagraph 7.2(d)(ii), 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 Treasury Regulation Section 1.401(a)(9)-9, using the Participant's and the spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date

(e) Requirements for Minimum Distributions Where Participant Dies Before Distribution Begin.

(i) If a Participant dies before the date distribution of his or her vested interest begins, and there is a Designated Beneficiary, the Participant's entire vested interest will be distributed, beginning no later than the time described in either of Subparagraphs 7.2(b)(ii)(A) or 7.2(b)(ii)(B), over the life of the Designated Beneficiary or over a period certain not exceeding:

(A) unless the annuity starting date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

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

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

(ii) If the Participant dies before the date distribution of his or her vested interest begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Subsection 7.2(e) will apply as if the surviving spouse were the Participant, except that the time by which the distributions must begin will be determined without regard to Subparagraph 7.2(b)(ii)(A).

**EXECUTION OF RESTATEMENT**

**KANSAS CITY AREA TRANSPORTATION  
AUTHORITY**

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

Title: \_\_\_\_\_

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

**LOCAL 1287, AMALGAMATED TRANSIT  
UNION, AFL-CIO**

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

Title: \_\_\_\_\_

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