

THE COLUMBUS, GEORGIA PENSION PLAN
FOR EMPLOYEES OF THE DEPARTMENT
OF PUBLIC SAFETY

As Amended and Restated
Effective as of
July 1, 2012

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Section 1: History, Purpose and Legal Effect

1.01 History:

Effective as of January 1, 1965, in order to create a retirement fund for the payment of benefits to eligible employees, the Employees' Retirement Fund of the City of Columbus (the "Prior City Plan") was established pursuant to Ordinance No. 64-49 enacted by the City Commission of the City of Columbus, Georgia (the "City"). As of January 1, 1965, contributions to the fund, both by the City and its eligible employees, began. Prior to January 1, 1965, and pursuant to an Act of the General Assembly of Georgia approved February 21, 1951 (Ga. L. 1951, p. 2970, et seq.) pension benefits granted by the City Commission were paid from the City's General Fund.

The Muscogee County, Georgia Pension System (the "Prior County Plan") was established pursuant to an Act of the General Assembly of Georgia approved March 9, 1945 (Ga. L. 1945, p. 1100, et seq.) to create a fund for the payment of benefits to the eligible employees of Muscogee County (the "County"). Contributions both by the county and its eligible employees were required.

Effective as of July 1, 1971, pursuant to Ordinance No. 71-214, the Prior City Plan and the Prior County Plan were merged into a consolidated plan maintained by the Consolidated Government of Columbus, Georgia (the "Government"), the successor to the prior governments of the City and the County. The name of such merged plan became the Columbus, Georgia Employees' Pension Plan (the "City Plan"). The assets of such Prior Plans were merged into a consolidated fund, pursuant to Ordinance No. 71-232, known as the Columbus, Georgia Employees' Pension Fund in order to carry out the funding of the City Plan. The City Plan was subsequently amended from time to time by Government Ordinance.

Effective as of October 1, 1981, pursuant to Ordinance No. 81-107, in order to create a retirement fund for the payment of benefits to eligible employees of the division of the Government which includes sworn officers of the City Police Department, Fire Department and the Correctional Institution, the Columbus, Georgia Pension Plan for Employees of the Department of Public Safety (the "Plan") was spun-off from the City Plan. Such employees who were prior members of the City Plan on October 1, 1981, became members of the Plan as of such date. Effective as of July 1, 1982, the Plan was amended by Ordinance No. 82-57 to include all sworn deputies of the Muscogee County Sheriff's Department. Effective as of October 22, 1985, the Plan was amended by Ordinance No. 85-123 to include all sworn deputies of the Marshal of the Municipal Court of Columbus, Georgia. Effective as of July 1, 1989, the Plan was amended by Ordinance No. 89-56 to include all Correctional Officers of the Muscogee County Sheriff's Department. Effective as of July 1, 1990, the Plan was amended by Ordinance No. 90-69 to include all Park Rangers of the Parks Security Division of the Parks and Recreation Department of the Government. Effective as of January 14, 1992, the Plan was amended by Ordinance No. 92-4 to include the Department of Emergency Management. Effective as of July 16, 1996, the Plan was amended by Ordinance

No. 96-69 to include the Coroner's Office. Effective as of July 1, 1996, the Plan was amended by Ordinance No. 96-91 to include Correctional Supervisors of the Department of Public Services and the Department of Parks and Recreation. Such divisions of the Government as are included in this Plan are collectively known as the "Department of Public Safety". Any employee covered by any of the aforementioned Ordinances who was a member of the City Plan as of the effective date of the applicable Ordinance was required to make up the employee contributions that would have been made had he been a member of this Plan instead of the City Plan prior to such effective date.

Effective as of July 1, 1985, the amount of required employee contributions was decreased from eight percent (8%) to four percent (4%) of pay. Effective as of July 1, 1986, the requirement that eligible employees contribute to the Plan was completely eliminated. Such prior employee contributions remain in the Fund and accumulate with interest until they are withdrawn. Since 1986, the Plan has been amended by various Government Ordinances. Effective as of July 1, 1992, a deferred vested benefit was added to the Plan for terminated vested employees not eligible for retirement.

Pursuant to Government Ordinance No. 87-14 adopted by the Council on February 10, 1987, a pooled fund was established for purposes of joint investment to maintain the assets of (a) the Columbus, Georgia Employees' Pension Plan, (b) the Columbus, Georgia Pension Plan for Employees of the Department of Public Safety, (c) the Columbus, Georgia Major Disability Income Plan and (d) the Columbus, Georgia Death Benefit Plan. Such pooled fund is known as the Consolidated Government of Columbus, Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund (the "Fund") and is maintained in accordance with the terms of the trust agreement that constitutes a part of this Plan. The Fund is maintained in accordance with generally accepted accounting principles in order to maintain separate accountability of such pooled funds for each plan.

Effective July 1, 1999, restated plan documents were prepared for all four plans by William M. Mercer, Inc. Ordinance No. 01-15 officially adopted these plans and repealed all previous conflicting ordinances. Subsequent changes were made to the Plan by Ordinance No. 01-16, No. 02-25, No. 02-25, No. 03-51, No. 03-54, and No. 11-26 which have been incorporated into this amended and restated plan.

1.02 Purpose:

The purpose of the Plan is to (a) provide an orderly means whereby Employees of the Department of Public Safety, who become superannuated or otherwise incapacitated as a result of age or disability, may be retired from active service without prejudice and without inflicting a hardship upon the person retired, and (b) enable such persons to accumulate reserves for themselves and their dependents to provide for old age or death, thus effecting economy and efficiency in the operation of the Government and in particular the Employees of the Department of Public Safety who are or become eligible Members of this Plan.

The Council of the Consolidated Government of Columbus, Georgia has decided to amend and restate the Plan, as set forth herein, effective as of July 1, 2012 (the "Effective Date"). The purpose of this Amendment and Restatement is to require employee contributions beginning July 1, 2012, to change the vesting period for employees commencing employment on or after July 1, 2012, to add the option of Deferred Retirement Option Plan for those employees who have attained the age of 55 years of age with 35 years of service or the age of 58 years with 30 years of service, to incorporate the provisions of the Ordinances described in Section 1.01 within a single plan document, to make other clarifying or desirable revisions, to reflect administrative practice regarding matters not addressed in prior Ordinances and to make changes required by law.

1.03 Legal Effect:

The terms and conditions of the Plan as stated herein shall supersede prospectively and in their entirety the terms and conditions of the July 1, 1999 Plan as amended and in effect on June 30, 2012; provided, however, that the provisions of such prior Plan shall continue to govern the rights of all persons who retired or otherwise ceased to work for the Government prior to July 1, 2012.

There is no intention in amending and restating the Plan to adversely affect, modify, or eliminate any pension benefits previously accrued or payable under the Plan before the Effective Date, and all such benefits are preserved, whether or not such benefits are specifically set forth in the Plan, as amended. To the extent that any such pension benefits are not described in the Plan, as amended, reference is to be made to those provisions of the Government Charter, prior to its amendment on July 1, 1999, which provided for such pension benefits.

The Plan and Fund are intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as applied to a governmental plan (as defined in Code Section 414(d)).

The provisions of this Plan shall apply only to an Eligible Employee who terminates employment on or after the Effective Date. The benefit payable to or on behalf of a Member included under the Plan in accordance with the following provisions shall not be affected by the terms of any amendment to the Plan adopted after such Member's employment terminates, unless the amendment expressly provides otherwise.

Notwithstanding the foregoing, the then current actuarial factors, as adopted pursuant to section 2.05 below will apply to all calculations requiring the determination of an Actuarial Equivalent.

Section 2: Definitions

Words and phrases appearing in the Plan shall have the respective meanings set forth in this Section, unless the context clearly indicates to the contrary.

2.01 Accrued Pension:

For any Member as of any date, the amount that would be payable at Normal Retirement Date equal to the result obtained by multiplying two percent (2%) of a Member's Average Monthly Earnings by the Member's number of years of Credited Service as of the given date, subject to a maximum of thirty (30) years.

2.02 Accrued Pension From Government Contributions:

For a Prior Plan Member as of any date, the amount that would be payable at Normal Retirement Date equal to such Member's Accrued Pension minus his Accrued Pension From Member Contributions.

2.03 Accrued Pension From Member Contributions:

For any plan Member effective July 1, 2012, the amount that would be payable at Normal Retirement Date equal to such Member's Contribution Account as of the given date, with the results multiplied by 0.091 and then divided by twelve (12) to produce a monthly amount. For a Prior Plan Member as of any date, the amount that would be payable at Normal Retirement Date equal to such Member's Contribution Account as of the given date accumulated with interest at the rate of seven percent (7%) per annum from such date to such Member's Normal Retirement Date, with the results multiplied by 0.091 and then divided by twelve (12) to produce a monthly amount. A Prior Plan Member's Accrued Pension From Member Contributions shall not be greater than his Accrued Pension

2.04 Actuarial (or Actuarially) Equivalent:

Equality in the value of the aggregate amount expected to be received under different forms of Pension payment, based on the 1984 Unisex Pension Mortality Table or such other table accepted in the industry that is recommended by the Plan's Actuary and approved by the Board, with interest at seven percent (7%) per annum.

2.05 Adjusted Employment Date:

The Employment Date given a reemployed member who satisfies the conditions set forth in Section 2.12(c) for re-establishing Creditable Service, which shall be calculated by taking his re-employment date and backing it up to reflect the years and months of creditable service calculated in accordance with section 2.12.

2.06 Average Monthly Earnings:

The average of a Member's Earnings during the sixty (60) consecutive months of his period of employment, which produces the highest such average during the last one

hundred twenty (120) months of his period of employment. The determination of a Member's Average Monthly Earnings shall be made in accordance with the following rules:

- (a) A Member's Earnings are deemed to be earned uniformly throughout the calendar year or portion thereof in which they are received.
- (b) Only months in a Member's Earnings history in which the Member is an Eligible Employee shall be considered.
- (c) For purposes of this Section 2.05, "period of employment" shall mean the period during which an Eligible Employee is in active service with the Government and is receiving earnings from the Government as an Eligible Employee. A period in which an Eligible Employee is absent from service with the Government for reasons such as vacation, holiday, sickness or Leave of Absence shall be counted as a period of employment.
- (d) If a Member's "period of employment" is less than sixty (60) months, then his Average Monthly Earnings shall be determined as the average of his Earnings during the consecutive months of his "period of employment."
- (e) If two (2) or more months are separated by one (1) or more months in which a Member (i) transfers from service with the Government as an Eligible Employee to an Ineligible Employee or visa versa, or (ii) incurs a Break in Service, but has his prior service restored upon reemployment, in accordance with the provisions of Section 2.13(c), then such months shall be deemed consecutive.

2.07 Beneficiary:

Subject to the provisions of Section 6.04, any person designated by a Member or, in the absence of such designation, the person or persons provided for in the Plan, to receive any death or survivor benefits payable as a result of a Member's death prior to receipt of all Plan benefits by the Member.

2.08 Board of Trustees or Board:

The persons designated or appointed pursuant to the provisions of Section 8 to administer the Plan and the Fund in accordance with said Section.

2.09 Break in Service:

A Break in Service occurs when the Employee has terminated employment with the Government and has at least one (1) month in which he has no Hours of Service.

2.10 City Pension Plan:

A separate Pension Plan, known as The Columbus, Georgia Employees' Pension Plan, maintained by the Government for its eligible employees.

2.11 Code:

The Internal Revenue Code of 1986 and amendments thereto. Any reference to any section of the Code shall be deemed to include any applicable regulations and rulings pertaining to such section and shall also be deemed a reference to comparable provisions of future laws.

2.12 Contribution Account:

For a Member, as of any date after July 1, 2012, the amount equal to the sum of his Member Contributions with no accrued interest. In addition to the forgoing, the Contribution Account of a Prior Plan Member shall also include the amount equal to the sum of his Member Contributions made prior to June 30, 1985, plus interest at the rate of three percent (3%) prior to July 1, 1999, and at the rate of seven percent (7%) effective July 1, 1999, compounded annually from the January 1, of the calendar year following the year for which such Contributions were made to the date a determination is made, but not later than the earlier of the date on which payment of such a Member's Pension hereunder commences or the date of his death.

2.13 Council:

The Council of the Consolidated Government of Columbus, Georgia.

2.14 Credited Service:

The period of an Eligible Employee's employment considered in the determination of the amount of his benefits under the Plan. A Member's Credited Service shall equal the decimal equivalent (rounded to two (2) decimal places) of the uninterrupted years and completed months from the first day he becomes an Eligible Employee (taking into account all service prior to his participation in the Plan) to the date his Retirement or other termination of employment occurs.

An Eligible Employee's Credited Service shall be determined in accordance with the following rules:

- (a) Employment as an Eligible Employee: Only employment as an Eligible Employee shall be considered as Credited Service under the Plan.
- (b) Leaves of Absence and Military Service: Periods of an Eligible Employee's Leave of Absence, and military service (provided the Employee returns to employment with the Government within the time prescribed by law under the Uniformed Services Employment and Reemployment Rights Act of 1994) shall be considered as Credited Service. Such military service shall be credited in accordance with Code Section 414(u).
- (c) Breaks in Service: Except as provided in Section 4.06(c) regarding reemployment of a retired Member in pay status, if an Employee has a Break in Service with the Government, and is subsequently re-employed, and if the Employee's years and months of Break in Service do not exceed the Employee's

prior period of Credited Service, then all pre-break Credited Service shall be reinstated. However, if the years and months of Break in Service exceed the Employee's pre-break Credited Service, except as provided in Section 4.06(c), then the Employee's pre-break Credited Service shall be cancelled and he shall be treated as if he were a new Employee as of his reemployment date.

- (d) Repayment of Contribution Refund: Any Employee who (1) received a refund of his Contribution Account upon his termination of employment, (2) upon re-employment with the Government is eligible to become a Member in the Plan pursuant to Section 3, and (3) otherwise is eligible to have his pre-break Credited Service reinstated pursuant to Subsection (c) above must repay to the Fund such refund in order to reconnect such pre-break Credited Service. The amount of such repayment shall be equal to the amount of the refund. . Such repayment shall be made through payroll deductions over a period of five (5) years beginning as soon as practical following receipt by the Human Resources Department of such Member's application for Credited Service reconnection. The amount withheld from such Member's pay shall be deposited into the Fund.

If such a Member terminates employment prior to full payment of the amount owed, the remaining balance owed shall be reamortized on a monthly basis over the remaining term of the original amortization period and paid as a deduction from such Member's Pension.

- (e) Periods of Disability: Periods of an Eligible Employee's Disability shall be considered as Credited Service. Prior to Normal Retirement Date, the Board may require written proof of the continuance of a Member's Disability Social Security payments no more frequently than once each six (6) months.

2.15 Deferred Vested Pension:

The Pension a Member may be entitled to, as determined in accordance with Section 4.05.

2.16 Department of Public Safety:

Collectively or individually as the context may indicate, the following divisions of the Government: Columbus Police Department, Columbus Fire and EMS Department, Muscogee County Prison, Parks and Recreation Department, Muscogee County Sheriff's Department, Marshal of the Municipal Court of Columbus, Georgia, Department of Emergency Management, Department of Public Services, and Coroner's Office.

2.17 Disability:

A physical or mental condition which entitles the Member to receipt of a Social Security Disability Insurance Benefit under the federal Social Security Act.

2.18 DROP:

The Columbus Georgia Deferred Retirement Option Plan adopted by Council effective July 1, 2012 which is available to certain employees who meet the conditions set forth in Section 4.04 below

2.19 Early Retirement Pension:

The Pension a Member may be entitled to, as determined in accordance with Section 4.03.

2.20 Earnings:

The following provisions govern the determination of a Member's Earnings:

- (a) Definition: For any calendar year for any Eligible Employee, the amounts received during the calendar year by the Eligible Employee from the Government that are reported as wages in Box 1 (or comparable box) on Form W-2 or substitute, including pay for unused vacation and any amounts deferred pursuant to Code Sections 457 and 125 and excluding (1) any type of nonaccountable expense allowance in addition to regular pay, such as car, book or office allowance; (2) pay for temporary and/or part-time work not related to regular employment, such as civic center pay; (3) third party sick pay; (4) taxable group term life insurance; (5) any money paid on behalf of another agency for the sole purpose of facilitating the payment, such as emergency fire fighting in Florida; and (6) judicial training.
- (b) Earnings During Military Leave: If an Eligible Employee is absent for a period of military leave for which reemployment rights are protected by law and if such Employee returns to employment on or after December 12, 1994, with the Government within the time required by law in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994, then his Earnings for each calendar year (or portion thereof) during such period shall be deemed to equal what he would have received during such period based on his rate of pay in effect when such leave began. Such Earnings shall be credited to such an Eligible Employee in accordance with Code Section 414(u).
- (c) Earnings Limitation: In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual Earnings of each Employee taken into account under the Plan shall not exceed \$200,000, as adjusted for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year shall apply to the Plan Year beginning in such calendar year.

2.21 Effective Date:

July 1, 2012, the date on which the provisions of this amended and restated Plan became effective.

2.22 Eligible Employee:

Any Full-Time Employee of the Department of Public Safety who is eligible to participate in this Plan pursuant to Section 3, excluding:

- (a) clerical personnel of the Muscogee County Sheriff's Department;
- (b) secretaries and other administrative personnel of the Department of Emergency Management whose duties do not require their presence at the scene of an emergency;
- (c) secretaries and other administrative personnel of the Coroner's Office whose duties do not require their presence at the scene of an emergency or crime;
- (d) any Employee that is eligible to participate in the City Pension Plan; and
- (e) any Employee who is a Part-Time Employee.

2.23 Eligible Spouse:

The husband or wife, as determined under the laws of the state or commonwealth in which he or she resides, to whom a Member is legally married throughout the one year period ending on the earlier of the Member's Pension commencement date or the date of the Member's death.

2.24 Employee:

Any person who, on or after the Effective Date, is receiving remuneration for personal services rendered to the Government, as defined in Section 2.25, either as a common-law employee or as a court reporter, appointed judge, grant employee or as an elected Official of the Government.

2.25 Full-Time Employee:

Any Employee whose customary employment is for at least forty (40) hours per week and for twelve (12) months during each calendar year and who is included in the "position classification plan" adopted by the Council. An Employee who is a court reporter, appointed judge or an elected Official of the Government shall be deemed a Full-Time Employee. A grant employee identified as "benefit eligible" by the grant administrator shall be deemed a Full-Time Employee.

2.26 Fund:

The Fund known as the Consolidated Government of Columbus, Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund, maintained in accordance with the terms of the trust agreement which constitutes a part of this Plan. The Fund consists of the assets of the Plan and all future Government and Member Contributions thereto and investment earnings thereon, and shall be administered for the exclusive benefit of Members of the Plan and their Beneficiaries.

2.27 Government:

The Consolidated Government of Columbus, Georgia (the successor to the prior governments of the City of Columbus, Georgia and of Muscogee County, Georgia), and any Board, Authority or Commission under such Government.

2.28 Hours of Service:

Hours of Service shall mean each hour for which an Employee is paid, or entitled to payment, by the Government.

2.29 Ineligible Employee:

Any Employee who is not an Eligible Employee.

2.30 Late Retirement Pension:

The Pension a Member may be entitled to, as determined in accordance with Section 4.02.

2.31 Leave of Absence:

Any absence from employment, with or without pay, for reasons such as maternity or paternity, sickness, accidental bodily injury, vacation, layoff, or family emergency authorized by the Government under the Government's standard personnel practices, provided that all persons under similar circumstances shall be treated alike in the granting of an authorized Leave of Absence, unless there exists a rational basis for a different treatment. A Leave of Absence shall not constitute an interruption in Credited Service or Vesting Service.

2.32 Life Income With 120 Months Certain:

The Pension payable over the lifetime of the Member. Monthly payments shall cease as of the last day of the month in which the Member's death occurs, except that if the Member dies prior to having received one hundred twenty (120) monthly Pension payments, any remaining payments shall continue to be made to the Member's Beneficiary until a combined total of one hundred twenty (120) monthly payments have been made to such Member and the Member's Beneficiary.

2.33 Member:

An Eligible Employee (i) who is actively employed and meets all requirements for participation in this Plan as provided in Section 3, and/or (ii) who has retired with entitlement to a Normal, Late or Early Retirement Pension, and/or who has retired but has elected to continue Government Employment pursuant to the DROP authorized in Section 4.4 below, and/or (iii) who has terminated employment with entitlement to a Deferred Vested Pension, and/or (iv) who has terminated employment, is non-vested and is entitled to a refund of his Contribution Account pursuant to Section 4.06.

2.33 Member Contributions:

Contributions made by (1) a plan Member on or after July 1, 2012, (2) a Prior Plan Member prior to July 1, 1986, in accordance with the provisions of the Plan, or (3) a

Transferred Member in accordance with the provisions of the Plan, the City Pension Plan, the Prior City Plan and/or the Prior County Plan.

2.34 Normal Retirement Date:

The first day of the calendar month coinciding with or next following the date a Member attains age sixty-five (65).

2.35 Normal Retirement Pension:

The Pension a Member may be entitled to, as determined in accordance with Section 4.01.

2.36 Part-Time Employee:

Any Employee who is not a Full-Time Employee. A Part-Time Employee is not entitled to benefits under this Plan.

2.37 Pension:

A series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

2.38 Plan:

The Columbus, Georgia Pension Plan for Employees of the Department of Public Safety, the Plan set forth herein, as amended from time to time.

2.39 Plan Year:

The twelve (12) month period commencing on July 1 and ending on June 30.

2.40 Prior City Plan:

The Employee's Retirement Fund of the City of Columbus, as in effect through June 30, 1971.

2.41 Prior County Plan:

The Muscogee County, Georgia Pension System, as in effect through June 30, 1971.

2.42 Prior Plan Member:

A Member who, as of June 30, 1986, was a member of the Plan as in effect on such date and who made Member Contributions to the Plan, as required at that time. The term "Prior Plan Member" shall also include a Transferred Member.

2.43 Retirement:

Termination of employment for reasons other than death after a Member has fulfilled all requirements for a Normal, Late, Early, or Deferred Retirement Option Pension.

2.44 Transferred Member:

A Member hired prior to July 1, 1986, (1) who transferred into this Plan from the City Pension Plan pursuant to Ordinance No. 82-57, 85-123, 89-56, 90-69, 92-4, 96-69 or 96-91 and (2) who, pursuant to such applicable Ordinance, was required to make up the employee contributions over a period of years through payroll deductions that he would have made to the Plan had he been a member of the Plan instead of the City Pension Plan prior to such transfer. As of the Effective Date such make-up employee contributions are continuing to be made by affected Transferred Members.

2.45 Vesting Service:

The period of a Full-Time Employee's employment considered in determination of his eligibility for a Pension hereunder. A Member's Vesting Service shall equal the decimal equivalent (rounded to two (2) decimal places) of the uninterrupted years and completed months from the first day of the month coinciding with or next following the date he becomes a Full-Time Employee to the date his Retirement or other termination of employment occurs; provided, however, only employment as a Full-Time Employee shall be considered as Vesting Service under the Plan.

The same rules governing the determination of an Eligible Employee's Credited Service under Subsections 2.13(b), 2.13(c), 2.13(d), 2.13(e) and 2.13(f) shall apply in determining a Full-Time Employee's Vesting Service.

Section 3: Membership Rules

3.01 Eligibility for Membership:

An Eligible Employee who was included under the prior provisions of the Plan as of June 30, 2012, shall continue to participate in accordance with the provisions of this amended and restated Plan. Any Employee hired on or after July 1, 2012 shall become a Member in this Plan upon the first day of his Eligible Employment.

After a termination of employment, a rehired Employee's subsequent participation in the Plan shall be subject to the provisions of Section 3.02. A former Member entitled to receive a Pension under the Plan shall continue as an inactive Member until the date of his death.

3.02 Membership Upon Reemployment:

Except as provided in Section 4.06(c) regarding the reemployment of a retired Member in pay status, upon the reemployment of an Employee after termination of employment, he shall become a Member on his reemployment date, provided he is an Eligible Employee on such date. Any reemployed Member who satisfies the conditions set forth in Section 2.12(c) for re-establishing Creditable Service, shall be entitled to an Adjusted Employment Date which shall be calculated by taking his re-employment date and backing it up to reflect the years and months of creditable service calculated in

accordance with section 2.12. All vesting and contribution requirements shall then be construed as though such employee was hired on his Adjusted Employment Date.

3.03 Compulsory Membership:

Subject to the provisions of Sections 3.01 and 3.02, membership in the Plan shall be compulsory and a condition of employment by the Government.

3.04 Member Contributions:

Effective July 1, 2012 the following contribution rates will apply to all plan members:

- a) All plan members who were Eligible Employees, or have an Adjusted Employment Date, prior to July 1, 2012 shall contribute 2% of Earnings effective July 1, 2012; and effective July 1, 2013, the required contribution will increase to 4% of Earnings.
- b) All plan members who are employed on or after July 1, 2012, shall contribute 6% of Earnings effective July 1, 2012 or upon the date he or she first becomes an Eligible Employee. Effective July 1, 2013, the contribution rate for all plan members employed on or after July 1, 2012 will increase to 8% of Earnings.

For a Prior Plan Member, or current plan member, the Member Contributions made to the Fund shall remain as assets of the Fund until the occurrence of an event which provides for the distribution of such Member Contributions in accordance with the provisions of the Plan.

Upon receipt by the board of trustees of satisfactory proof of the death or termination of employment, prior to the completion of five years of service (for members employed by the government prior to July 1, 2012 or having an Adjusted Employment Date prior to July 1, 2012), or prior to ten (10) years of service (for members employed by the government on or after July 1, 2012), and which death or termination of employment occurs prior to the eligibility for or commencement of pension payments, the total member contributions shall be paid from the fund to the deceased member's beneficiary or to the Member in the event of voluntary or involuntary termination of employment. No interest payment shall be made on any member contribution except to those Prior Plan employees to who qualify for a lump sum payment with interest as a result of contributions made prior to July 1, 1986.

As permitted under Section 414(h) of the Code, the Government shall "pick-up" such Member Contributions. This "employer pick-up" contribution shall be designated as a Member Contribution and the Member Contribution shall be paid by the Government to the Plan as a "salary reduction" type contribution. This "pick-up" contribution shall not have any cash or deferred election right.

3.05 Change in Job Status:

In the case of an Employee's transfer to or from the status of Eligible Employee, the following rules shall apply:

- (a) From Full-Time to Part-Time Employee: If a Full-Time Employee transfers to the status of Part-Time Employee,
 - (1) as of the date of transfer, his membership in this Plan shall be suspended;
 - (2) he shall not receive Vesting Service or Credited Service while a Part-Time Employee;
 - (3) he shall not be entitled to receive any Pension payments or refund of his Contribution Account, if any, until actual Retirement or other termination of employment; and
 - (4) the amount of any Pension payable to him or on his behalf under this Plan upon his subsequent Retirement, death or other termination of employment shall be calculated based upon his Average Monthly Earnings and Credited Service up to the date of transfer.

- (b) From Part-Time to Full-Time Employee: If a Part-Time Employee transfers to the status of a Full-Time Employee,
 - (1) his membership in this Plan shall begin on the effective date of his transfer to full time employment, provided he is an Eligible Employee on such date;
 - (2) he shall not receive Vesting Service or Credited Service while a Part-Time Employee;
 - (3) his Earnings as a Part-Time Employee shall not be considered in computing any Pension which may be payable to him or on his behalf under the Plan; and
 - (4) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.

- (c) From This Plan to City Pension Plan: If a Member of this Plan transfers to the City Pension Plan,
 - (1) as of the date of transfer, his membership in this Plan shall be suspended;

- (2) he shall continue to receive Vesting Service, but not Credited Service, during such ineligible employment;
 - (3) he shall not be entitled to receive any Pension payments or a refund of his Contribution Account, if any, until actual Retirement or other termination of employment;
 - (4) the amount of any Pension payable to him or on his behalf under this Plan upon his subsequent Retirement, death or other termination of employment shall be based upon his Average Monthly Earnings and Credited Service up to the date of transfer and no increase in such Member's Accrued Pension from this Plan shall occur unless the Member is again eligible, in accordance with Section 3.01, to become a Member of this Plan; and
 - (5) such Member, upon transfer, shall be eligible to accrue additional benefits, if any, under the City Pension Plan; provided, however, that such former Member of this Plan who remains in active employment with the Government shall not again be given credit under the City Pension Plan for the Credited Service used in determining his Accrued Pension under the provisions of this Plan at the time of transfer.
- (d) From City Pension Plan to This Plan: If a Member of the City Pension Plan transfers into this Plan,
- (1) his membership in this Plan shall begin on the date of transfer, provided he is an Eligible Employee on such date;
 - (2) he shall receive Vesting Service, but not Credited Service, during such ineligible employment;
 - (3) his Earnings as an Ineligible Employee shall not be considered in computing any Pension payable to him or on his behalf under the Plan; and
 - (4) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.
- (e) Injury in Line of Duty: An Eligible Employee who
- (1) is injured in the line of duty,
 - (2) because of such injury cannot perform his essential job functions as outlined by Worker's Compensation law, and
 - (3) is placed in a General Government position
- may request to retain membership in this Plan. Any such request for such continued membership must be submitted to the Council for approval.
- Notwithstanding the foregoing, if such a request is approved by the Council, then such an Eligible Employee shall continue to accrue benefits under the provisions

of the Plan. He shall continue to receive Vesting Service, Credited Service and Earnings under this Plan.

(f) Transferred Members: Notwithstanding the foregoing, if a Member of this Plan is

- (1) a Transferred Member,
- (2) his Vesting Service and Credited Service earned under the City Pension Plan prior to such transfer shall be considered under this Plan; and
- (3) his Earnings under the City Pension Plan prior to such transfer shall be considered under this Plan; and
- (4) he shall not be entitled to any benefit from the City Pension Plan for such pre-transfer employment.

Section 4: Requirements For And Amount Of Retirement Benefits

4.01 Normal Retirement:

A Member shall be eligible for a Normal Retirement Pension if his employment is terminated on his Normal Retirement Date. The monthly amount of a Member's Normal Retirement Pension payable on a Life Income With 120 Months Certain basis shall equal his Accrued Pension at Retirement. Payment of a Normal Retirement Pension shall commence as of the first day of the month coinciding with or next following the date of Retirement.

4.02 Late Retirement:

If a Member continues in the Government's employ after his Normal Retirement Date, his membership in the Plan shall continue, but no Pension payments shall be made during the period of continued employment. The monthly amount of a Member's Late Retirement Pension payable on a Life Income With 120 Months Certain basis shall equal his Accrued Pension at actual Retirement. Payment of a Late Retirement Pension shall commence as of the first day of the month next following the Member's actual Retirement.

4.03 Early Retirement:

A Member shall be eligible for an Early Retirement Pension if his employment is terminated prior to his Normal Retirement Date, but after he has completed twenty (20) or more years of Vesting Service. The monthly amount of a Member's Early Retirement Pension payable on a Life Income With 120 Months Certain basis, at the Member's Normal Retirement Date, shall equal his Accrued Pension at Retirement.

Payment of an Early Retirement Pension shall commence as of the Member's Normal Retirement Date. However, if such a retired Member requests the Board to authorize the commencement of his Early Retirement Pension as of the first day of the month next following his attainment of age fifty (50), or as of the first day of any subsequent month

which precedes his Normal Retirement Date, his Pension shall commence as of the beginning of the month requested, but the amount thereof shall be determined in accordance with the provisions of the following paragraph:

If payment of an Early Retirement Pension commences prior to the Member's Normal Retirement Date, but on or after the later of the date the Member attains age fifty-five (55) and the date he would have attained twenty-five (25) years of Vesting Service had he continued employment with the Government, there shall be no reduction in the Member's Accrued Pension. If payment of an Early Retirement Pension commences prior to the date the Member both attains age fifty-five (55) and would have attained twenty-five (25) years of Vesting Service, the amount of the Pension shall be reduced by 0.5 of 1% (.005) for each full calendar month that commencement of the Early Retirement Pension precedes the later of the date the Member would have attained age fifty-five (55) and the date he would have attained twenty-five (25) years of Vesting Service had he continued employment with the Government.

4.04 DROP Retirement:

A Member who has attained at least fifty five (55) years of age with 35 years of service or at least fifty eight (58) years of age with 30 years of service who wishes to retire but continue working for the Government may elect to participate in the Columbus Georgia DROP. In accordance with the provisions of the DROP the Member must elect to participate in writing, select their form of pension benefit, and select their period of participation in the DROP not to exceed three (3) years.

4.05 Deferred Vested Pension:

A Member shall be eligible for a Deferred Vested Pension if his employment is terminated before death or Retirement after he has completed five (5) or more years of Vesting Service, if he was employed by the Government prior to July 1, 2012, or has an adjusted employment date prior to July 1, 2012, and after he has completed ten (10) or more years of vested service, if he was employed by the Government on or after July 1, 2012. The monthly amount of a Deferred Vested Pension payable on a Life Income With 120 Months Certain basis, commencing as of the Participant's Normal Retirement Date, shall be equal to his Accrued Pension at termination of employment.

Payment of a Deferred Vested Pension shall commence as of the Member's Normal Retirement Date. However, a Member who has completed twenty (20) or more years of Vesting Service may request the Board to authorize the commencement of his Deferred Vested Pension as of the first day of the month next following his attainment of age fifty (50) or as of the first day of any subsequent month which precedes his Normal Retirement Date. In such event, his Pension shall commence as of the date requested, but the amount shall be determined in the manner provided in the last paragraph of Section 4.03.

Notwithstanding the foregoing, a Prior Plan Member, who made employee contributions prior to June 30, 1986, may elect to receive a refund in a single lump sum equal to his Contribution Account as of his termination of employment. Such election and the resulting refund shall be made as soon as practicable following such Member's

termination of employment. The Deferred Vested Pension for such a Member who so receives a refund of his Contribution Account shall be based solely on his Accrued Pension From Government Contributions.

4.06 Pension Benefits Upon Reemployment:

If a former Member who is receiving a Pension is reemployed by the Government, the following rules shall apply:

- (a) Full-Time Reemployment and Resumption of Pension: If such a Member is reemployed as a Full-Time Employee, those Pension payments shall stop, unless he is participating in the DROP as set forth in Section 4.04 above. During such period of reemployment no Pension payments shall be made. Upon subsequent Retirement of such a Member, such Pension payments shall again commence as of the first day of the month coincident with or next following such Retirement. The amount and form of such resumed Pension shall be the same as was being paid to such Member prior to reemployment as of his initial Pension commencement date.
- (b) Part-Time Reemployment: If such a Member is reemployed as a Part-Time Employee, those Pension payments shall continue uninterrupted.
- (c) Eligibility for and Amount of Additional Pension: Upon reemployment, if the Employee meets the requirements of Section 2.22 as an Eligible Employee, such Employee shall again become a Member of this Plan on the date of reemployment and shall accrue Credited Service and Vesting Service from the date of reemployment and again be entitled to accrue a benefit in accordance with the provisions of Section 4. In the determination of such a Member's Vesting Service, his prior years of Vesting Service shall be included in addition to his Vesting Service earned after reemployment; provided, however, solely for the purpose of determining the amount of his additional Pension, Credited Service shall accrue only from the date of such reemployment.
- (d) Form of Payment of Additional Pension: Upon subsequent Retirement by a Member after a period of reemployment, the monthly benefit determined in accordance with the provisions of Section 4 and based on Credited Service from the date of reemployment shall be in addition to the benefit provided for the prior period of employment and the provisions of Section 4.06(c). The Pension earned by such a Member during the period of reemployment shall be payable in accordance with the provisions of Section 5.

4.07 Commencement of Benefits:

Notwithstanding any provision contained herein to the contrary, any benefits to which a Member is entitled shall commence no later than the April 1 of the calendar year following the later of (a) the calendar year in which the Member attains age 70½ or (b) the calendar year in which his Retirement occurs. Notwithstanding any other provision of the Plan, distribution of benefits under the Plan shall be made in accordance

with the provisions of Code Section 401(a)(9) as they apply to governmental plans. To the extent applicable, the provisions of Code Section 401(a)(9) are hereby incorporated by reference into the Plan. Payment of any benefit provided under this Plan shall not commence until the Member has severed his employment with all entities of the Government.

4.08 Maximum Pensions:

Anything to the contrary notwithstanding, a Pension computed under this Section 4. shall not exceed the amount determined in accordance with the provisions of Code Section 415, as they apply to a governmental plan. To the extent applicable, the provisions of Code Section 415 are hereby incorporated by reference into the Plan.

Section 5: Payment Of Pension

5.01 Optional Forms of Pension Payments:

By filing a timely election with the Board prior to the date Pension payments commence, a Member entitled to a Normal, Late, or Early Retirement Pension or a Deferred Vested Pension may elect to receive a Pension payable in accordance with one of the following options. The amount payable under such Pension options shall be Actuarially Equivalent to the Life Income With 120 Months Certain Pension to which such Member is otherwise entitled:

- (a) Single Life Income: An increased Pension payable for the lifetime of the Member with no survivor benefits.
- (b) Period-Certain and Life Income: A Pension payable for the Member's lifetime; provided, however, if the Member's death occurs within the certain period of sixty (60), one hundred eighty (180) or two hundred forty (240) months (as elected by the Member, but in no event to exceed the months of joint life expectancy of the Participant and his designated Beneficiary), payment of the Pension shall be continued in the same amount to the Member's Beneficiary for the balance of the certain period.
- (c) Life Income With Pop-Up Joint and Survivor Option: For a Member who has an Eligible Spouse on his Pension commencement date, a reduced Pension payable during the Member's lifetime so that, following his death, payment of the Pension in an amount equal to fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%) (as elected by the Member) of the Member's reduced Pension shall continue to be made to the Eligible Spouse, if surviving, for his or her lifetime; provided, however, that if the Eligible Spouse should die before the

Member, the Pension payable to the Member beginning the first day of the month following receipt by the Board of proof of the Eligible Spouse's death shall be increased to the amount that would have been payable as a Life Income under Option 5.01(a). Notwithstanding the foregoing, such Survivor Option paid to an Eligible Spouse who is not recognized as a spouse under federal law must conform to the Minimum Distribution Incidental Benefit Rules ("MDIB Rules") described in applicable regulations under Section 401(a)(9) of the Code.

- (d) Social Security Level Income: A Member entitled to an Early Retirement Pension which commences prior to age sixty-two (62) may elect to receive an increased Pension payable to him until the date Social Security benefits are expected to commence at age sixty-two (62) and a reduced amount payable thereafter, so that the increased monthly Pension from the Plan up to age sixty-two (62) will approximately equal the sum of the reduced monthly Pension from the Plan and the Member's estimated Primary Social Security amount after the date Social Security benefits are expected to commence at age sixty-two (62). The last payment to the Member under this option ends with the payment immediately preceding the date the Member dies, or the date Social Security benefits are expected to commence at age sixty-two (62), whichever occurs first. The reduced amount of monthly Pension commences on the first day of the month next following the month in which the increased amount ceases, provided the Member is then alive, and ends with the payment immediately preceding the death of the Member. If the Actuarial Equivalent value of the Member's Early Retirement Pension as a Life Income With 120 Months Certain is not sufficient to provide a monthly Pension to the date Social Security benefits are expected to commence at age sixty-two (62) of an amount at least equal to the estimated Primary Social Security amount, the Member shall be entitled to receive a monthly Pension to such date of whatever amount can be provided by the Actuarial Equivalent value of the Early Retirement Pension as a Life Income With 120 Months Certain.

The Board shall furnish such Member and any Eligible Spouse with a general description or explanation of the eligibility conditions and other material features of the optional forms of benefit available under this Section 5.01 of the Plan. After Pension payments have commenced, no future elections or revocations of an optional form will be permitted under any circumstances, except as provided under Section 5.01(c).

If a Participant who has an Eligible Spouse as of the date his Pension payments commence has elected any option other than a "Life Income with Pop-Up Joint and Survivor Option" available under Section 5.01 (c) 3 above, then the Eligible Spouse must consent to such Participant's optional election within the ninety (90) day period preceding such Participant's Pension commencement date. The Eligible Spouse's consent to such election shall be in writing and shall acknowledge the effect of such consent. In addition, the Eligible Spouse's

signature on the written consent must be witnessed by a Plan representative or notary.

If the Eligible Spouse does not so consent to such optional election, the election shall become inoperative.

5.02 Small Pension Cash Out:

If any Member's Late, Normal, or Early Retirement Pension or Deferred Vested Pension is less than twenty dollars (\$20) per month, the Board of Trustees shall pay to such Member the single sum Actuarial Equivalent value of such Pension in lieu of monthly Pension payments. Such lump sum shall be paid to such Member as soon as practicable following Retirement or termination of employment. Such twenty dollar (\$20) threshold amount shall be based upon the Member's Pension payable monthly on a Life Income With 120 Months Certain basis and reduced for commencement prior to Normal Retirement Date in the case of an Early Retirement Pension.

5.03 Direct Rollover Rules:

(a) Notwithstanding any contrary provision of the Plan, but subject to any de minimis or other exceptions or limitations provided for under Section 401(a)(31) of the Code:

(i) Any prospective recipient (whether a Member, a surviving spouse or a current or former spouse who is an alternate payee under a qualified domestic relations order as defined in section 414(p) of the Code or any other person eligible to make a rollover) of a distribution from the Plan which constitutes an "eligible rollover distribution" (to the extent otherwise includible in the recipient's gross income) may direct the Board to pay the distribution directly to an "eligible retirement plan";

(ii) If (A) Contribution Account refunded to a Member exceeds \$1,000, (B) the Member has not attained the later of his Normal Retirement Age or the age of sixty-two (62) and (C) the Member does not either consent in writing to a distribution to him (as opposed to a rollover to an "eligible retirement plan") or direct in writing the distribution be made to a specified "eligible retirement plan" or plans, then any "eligible rollover distribution" to the Member shall be made by the Board's paying the distribution directly to an "eligible retirement plan" which is an individual retirement plan in a direct rollover to the individual retirement plan on behalf of the Member (an "automatic rollover"). This clause does not apply to any person who is not a Member; and

(iv) Effective for distributions made in Plan Years beginning on or after January 1, 2010, any non-spouse designated Beneficiary within the meaning of Section 401(a)(9)(E) of the Code who is a prospective recipient of an "eligible rollover distribution" from the Plan may direct the Board to pay the distribution directly to an "inherited IRA."

- (b) For purposes hereof, the following terms have the meanings assigned to them in Section 401(a)(31) of the Code and, to the extent not inconsistent therewith, shall have the following meanings:

- (i) The term "eligible retirement plan" means any of the following, as applicable:

(A) A defined contribution plan which is either an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the prospective recipient's eligible rollover distribution.

(B) For distributions made before January 1, 2002; in the case of an eligible rollover distribution payable to a Member's surviving spouse, an "eligible retirement plan" means only an individual retirement account or individual retirement annuity.

(C) Effective for distributions made after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(D) Effective for distributions made after December 31, 2001, the definition of eligible retirement plan applicable to a Participant shall also apply in the case of a distribution to a Member's surviving spouse and to a Member's spouse or former spouse who is the alternate payee under an qualified domestic relations order, as defined in section 414(p) of the Code.

(E) Effective for distributions made after December 31, 2007, an individual retirement plan described in section 408A of the Code (sometimes referred to as a Roth IRA) provided that for tax years beginning before January 1, 2010, the recipient does not have modified adjusted gross income in excess of \$100,000 and is not married filing a separate return, both as determined under Section 408A(c)(3)(B) of the Code.

(F) For distributions made in Plan Years beginning on or after January 1, 2010, in the case of an eligible rollover distribution payable to a non-spouse designated Beneficiary within the meaning of Section 401(a)(9)(E) of the Code, an "eligible retirement plan" means only an "inherited" IRA.

- (ii) The term "eligible rollover distribution" means any distribution made after December 31, 1992 other than any of the following:

(A) A distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made either for the life (or life expectancy) of the recipient or the joint lives (or joint life expectancies) of the recipient and his beneficiary who is an individual or for a specified period of ten (10) or more years,

(B) A distribution to the extent it is required under the minimum distribution requirement of Section 401(a)(9) of the Code;

(C) Any amount that is distributed on account of hardship, or

(D) Any other amount which is not considered an eligible rollover distribution for purposes of Section 402(c)(4) of the Code with respect to the Plan.

Effective for distributions made after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred and earnings thereon, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Effective for distributions made after December 31, 2006, such portion may also be paid to an annuity contract described in Section 403(b) of the Code or a qualified defined benefit plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred and earnings thereon, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(iii) The term "inherited IRA" means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract) or, for Plan Years beginning in or after 2010, an individual retirement plan described in section 408A of the Code (sometimes referred to as a Roth IRA) established for the purpose of receiving the distribution where the individual retirement account or annuity or Roth IRA is treated as an inherited individual retirement account or annuity within the meaning of Section 408(d)(3)(C) or, as applicable, Section 409A(d)(3)(B) of the Code.

(c) Any such direction shall be filed with the Board in such form and at such time as the Board may require and shall adequately specify the eligible retirement plan to which the payment shall be made.

(d) The Trustee shall make payment as directed only if the proposed transferee plan will accept the payment.

(e) Any such plan to plan transfer shall be considered a distribution option under this Plan and shall be subject to all the usual distribution rules of this Plan (including, but not limited to, the requirement of an advance explanation of the option).

(f) The Board is authorized in its discretion, applied on a uniform and non-discriminatory basis, to apply any discretionary de minimis or other discretionary exceptions or limitations provided for under Section 401(a)(31) of the Code in effecting or declining to effect plan to plan transfers hereunder.

(g) Within a reasonable time before the benefit payment date of a prospective recipient of an eligible rollover distribution from the Plan, the Board shall provide the prospective recipient with a written explanation of the rollover and tax rules required by Section 402(f) of the Code. In addition, where the prospective distribution is described in clause (ii) of subparagraph 5.03(a), the Board shall provide the written notice to the prospective recipient required by Sections 401(a)(31)(B)(i) of the Code (either separately or at the time the notice under Section 402(f) of the Code is provided) that the automatic rollover to an individual retirement plan pursuant to clause (ii) of subparagraph 5.03(a) may be transferred to another individual retirement plan.

(h) In the case of an automatic rollover described in clause (ii) of subparagraph 5.03(a):

(i) The Board shall determine the individual retirement plan to receive the automatic rollover and the initial investment under the individual retirement plan in which the automatic rollover is invested;

(ii) The automatic rollover shall be made to an individual retirement plan within the meaning of Section 7701(a)(37) of the Code;

(iii) In connection with the automatic rollover, the Board shall enter into a written agreement with the individual retirement plan provider that provides:

(A) The rolled-over funds shall be invested in an investment product designed to preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity;

(B) For purposes of clause (iii)(A) of this subparagraph, the investment product selected for the rolled-over funds shall seek to maintain, over the term of the investment, the dollar value that is equal to the amount invested in the product by the individual retirement plan;

(C) The investment product selected for the rolled-over funds shall be offered by a state or federally regulated financial institution, which shall be either (I) a bank or savings association, the deposits of which are insured by the Federal Deposit Insurance Corporation, (II) a credit union, the member accounts of which

are insured within the meaning of Section 101(7) of the Federal Credit Union Act, (III) an insurance company, the products of which are protected by State guaranty associations, or (IV) an investment company registered under the Investment Company Act of 1940;

(D) All fees and expenses attendant to an individual retirement plan, including investments of the individual retirement plan (e.g., establishment charges, maintenance fees, investment expenses, termination costs and surrender charges) shall not exceed the fees and expenses charged by the individual retirement plan provider for comparable individual retirement plans established for reasons other than the receipt of a rollover distribution subject to the provisions of Section 401(a)(31)(B) of the Code; and

(E) The recipient on whose behalf the Plan makes an automatic rollover shall have the right to enforce the terms of the contractual agreement establishing the individual retirement plan, with regard to his rolled-over funds, against the individual retirement plan provider, and.

(iv) Members shall be furnished a description of the Plan's automatic rollover provisions effectuating the requirements of Section 401(a)(31)(B) of the Code, including an explanation that the mandatory distribution in the form of an automatic rollover will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity, a statement indicating how fees and expenses attendant to the individual retirement plan will be allocated (i.e., the extent to which expenses will be borne by the account holder alone), and the name, address and phone number of a plan contact (to the extent not otherwise provided in the description) for further information concerning the Plan's automatic rollover provisions, the individual retirement plan provider and the fees and expenses attendant to the individual retirement plan.

Section 6: Death Benefits

6.01 Pension Payments to Eligible Spouse Upon Member's Death Before Pension Payments Commence:

If a Member who has met the requirements for a Normal, Late or Early Retirement Pension or a Deferred Vested Pension dies before Pension payments commence (either while employed with the Government or after terminating employment with entitlement to a Pension hereunder), a lifetime Pension shall be payable to his Eligible Spouse, if any, in accordance with the following:

- (a) Amount of Pension: If such a Member dies after his "Earliest Retirement Age" the Pension payable to such Eligible Spouse shall be equal to the amount the Eligible Spouse would have been entitled to receive had the Member retired on the date immediately preceding death and commenced to receive a Normal, Late Early Retirement Pension, Or Deferred Vested Pension, whichever is applicable, under either Section 4.01, 4.02, 4.03, or 4.05 as applicable, and elected the fifty percent (50%) Joint and Survivor Pension option pursuant to Section 5.01(c). The Pension payable to such Eligible Spouse shall commence as of the first day of the month next following the Member's death. For purposes of this Section 6.01, "Earliest Retirement Age," shall mean the earliest age at which a Member would be entitled to commence Pension payments under the provisions of Article IV.

If the Member dies before his Earliest Retirement Age, the Eligible Spouse's Pension shall equal 50% of the Deferred Vested Pension that the Member would have received under Section 4.04 if he (i) had separated from service on the date of his death or his actual termination date, if earlier; (ii) survived until his Earliest Retirement Age; (iii) retired at his Earliest Retirement Age and elected to receive his Pension under the fifty percent (50%) Joint and Survivor Pension option under Section 5.01(c); and (iv) died on the next day.

- (b) Death of Prior Plan Member's Eligible Spouse While Receiving Death Benefits: For a Prior Plan Member in no event shall the total Pension payments made to his surviving Eligible Spouse be less than such Member's Contribution Account as of his date of death. The Eligible Spouse of a Prior Plan Member receiving benefit payments pursuant to this Section 6.01 shall be required to designate a Beneficiary for the purpose of such Member's Contribution Account refund. In the event that an Eligible Spouse receiving benefit payments under this Section 6.01 should die prior to receiving the full refund amount, then the difference, between the amount actually paid to the Eligible Spouse and the amount of such Contribution Account shall be paid to the Beneficiary designated by the Eligible Spouse.

- (c) Limitations on Eligible Spouse's Eligibility for Benefits: The eligibility for benefits provided by this Section 6.01 for an Eligible Spouse shall terminate automatically as of the date of death of such Eligible Spouse. A Member's divorce from an Eligible Spouse shall terminate that Spouse's eligibility for benefits as of the date of the divorce. Additionally, an Eligible Spouse shall not be eligible for benefit payments in accordance with this Section 6.01 beyond the time when a Member elects one of the Pension payment options available under the Plan, as described in Section 5.01.
- (d) Remarriage of a Member: In the event a Member remarries after the death of an Eligible Spouse, or in the event a Member remarries after divorce from an Eligible Spouse, coverage provided by this Section 6.01 shall automatically apply for the benefit of the new Spouse, if all other requirements of the Plan, including the requirements to be an Eligible Spouse, are satisfied.

6.02 Contribution Account Refund to Beneficiary:

If a Prior Plan Member should die either while employed by the Government or after termination of employment but prior to commencement of Pension payments and at a time when the provisions of Section 6.01 do not apply, a death benefit shall be payable to such Member's Beneficiary. The amount of such benefit shall be equal to such Member's Contribution Account as of the date of his death. Such death benefit shall be payable to such Beneficiary in a single lump sum as soon as practicable following receipt by the Board of satisfactory proof of such Member's death.

6.03 Death During Period of Reemployment:

Should death occur during a retired Member's period of reemployment, the following rules shall apply:

- (a) Pension Paid Prior to Reemployment: With respect to the Pension paid prior to such Member's reemployment, his Eligible Spouse or Beneficiary, as applicable, shall receive the Pension, if any, which would have been paid under the form of benefit previously elected pursuant to Section 5 if the Member had died while receiving benefits.
- (b) Pension Continued During Reemployment: With respect to any Pension continued to be paid to such Member during reemployment, his Eligible Spouse or Beneficiary, if applicable, shall receive the Pension, if any, under the form of Pension being paid pursuant to Section 5.
- (c) Pension Earned During Reemployment: With respect to any additional Pension earned during such Member's reemployment, the death benefits shall be payable in accordance with the foregoing provisions of Section 6.01.

6.04 Beneficiary Designation:

A Member who has elected a form of Pension payment under Section 5 providing for a death benefit payable to a Beneficiary or a Prior Plan Member covered by the provisions of Section 6.02 or an Eligible Spouse covered by the provisions of Section 6.01(b) shall have the right to designate his Beneficiary for purposes of any death benefits that are payable from the Plan. In order to be effective, the designation must be on such form as is prescribed by the Board and filed with the Board prior to the death of the Member or Eligible Spouse, as applicable. Designation of such Beneficiary shall be subject to the following rules.

- (a) Change of Beneficiary: Each such person shall have the right to change the designated Beneficiary. In order to be effective, such change must be on such form as is prescribed by the Board and filed with the Board prior to the death of the Member or Eligible Spouse, as applicable.
- (b) Death of Beneficiary: In the event the designated Beneficiary (and contingent Beneficiary, if applicable) predeceases the Member, or in the event that no effective designation of Beneficiary has been made, any death benefit shall be paid to the spouse of the deceased Member, if any, and, if none, to the legal representative of the estate of the deceased Member.

Section 7: Plan Financing

7.01 Method of Funding:

The plan will be funded by Member Contributions as provided in Sections 2.13(d), 2.32, and 2.43.. The Government shall make contributions in such amounts and at such times as determined by the Council in accordance with the minimum funding standards set forth in O.C.G.A. 47-20-1 et seq., as amended.

7.02 Assets of Fund:

All contributions made by the Government or Members under this Plan shall be deposited in the Fund.

Except as otherwise provided above, all assets of the Fund, including investment income, shall be retained for the exclusive benefit of Members and their Beneficiaries, shall be used to pay benefits to such persons or to pay administrative expenses to the extent not paid by the Government, and shall not revert to or inure to the benefit of the Government.

Section 8: Administration Of The Plan And Fund

8.01 Designation of Board Members:

The Plan and Fund shall be administered as a trust for the exclusive benefit of the Members and their Beneficiaries by a Board of Trustees of eleven (11) members, consisting of three (3) persons designated by title, six (6) persons designated by name and two (2) persons designated by a combined process of election and appointment from departments under the supervision of the City Manager and departments under the supervision of the Mayor in his or her capacity as Director of Public Safety.

The three (3) Trustees designated by title shall be:

The Mayor;
The City Manager; and
The Director of Finance.

The six (6) Trustees designated by name shall be selected by the Mayor and shall be subject to the approval of the Council. Of these six (6) persons, five (5) shall be selected from the local business community, one (1) from among the membership of the Retired City Employees Association, Inc. In the event of the resignation, removal or disqualification of a Trustee designated by name, the Mayor shall promptly designate a replacement Trustee or Trustees, subject to approval of the Council. The six (6) Trustees designated by name shall serve four (4)-year staggered terms of office as determined by the Mayor. One trustee selected from the local business community shall be a member of the State Bar of Georgia and have a minimum of five years experience with public pension plan design, public pension fund accounting, actuarial valuations, public pension fund investing, and the provisions of federal and state law impacting public employee pension plans to include Employment Retirement Income Security Act (ERISA), the Internal Revenue Code, Governmental Accounting Standards Board (GASB) statements and Generally Accepted Accounting Principles (GAAP). Four trustees selected from the local business community shall have a minimum of five years experience in banking, financial planning, pension fund investing or actuarial valuations and possess a familiarity with public pension plan design, investing, and reporting.

8.02 Board Expenses:

The Trustees shall serve without compensation, but shall be reimbursed by the Government for any expenses incurred in connection with service as members of the Board. Expenses shall first be recommended by the Board for approval by the Council.

8.03 Chairman of the Board:

The Mayor shall serve as Chairman of the Board.

8.04 Secretary of the Board and Authorization of Benefit Payments:

The Director of Finance shall act as Secretary to the Board and as Treasurer of the Fund, and shall receive all monies and securities unless otherwise directed by the Board. The Chairman of the Board, the Director of Finance and the City Manager shall jointly authorize all payments for purposes specified in this Plan.

8.05 Records and Fund Disbursements:

Complete and accurate records shall be maintained by the Board and the Board shall require the same of any corporate trustee or investment counselor employed by the Board as a Fund manager pursuant to the provisions of this Plan. All funds disbursed shall be in the manner that all other Government funds are disbursed and checks will bear the same signatures that appear on Government checks for payment of accounts payable.

8.06 Quarterly Fund Reports:

The Board shall prepare and submit, or shall cause to have prepared by any corporate trustee or investment counselor employed by the Board as a Fund manager pursuant to the provisions of this Plan, and submitted to the Council, a quarterly report of Fund receipts and disbursements and a quarterly Fund balance sheet which shall account for any pension funds existing under this Plan which have been designated by the Board as pooled, trust funds for purposes of joint investment, in accordance with generally accepted principles of accounting, in order to maintain separate accountability of such funds while under management.

The Director of Finance is authorized to jointly account for any pension funds existing under this Plan which have been designated by the Board as pooled trust funds for purposes of joint investment, in accordance with generally accepted principles of accounting.

8.07 Fund Audit:

Funds will be audited in the same manner as Government funds and the findings of such audit shall be submitted to the Board and the Council.

8.08 Actuarial Valuation:

The Board shall have an annual actuarial valuation of the Fund assets and liabilities prepared by an actuary selected by the Board and approved by the Council.

8.09 Annual Assessment to Council:

Every year, or more often if requested by Council, the Board will provide Council with a study which shows the projected unfunded liabilities and the Government contribution expected to be attributable to the Plan over the following three years assuming a continued employee contribution at the rate then in effect.

8.10 Employ of Services:

The Board may employ legal, actuarial, clerical, and administrative assistance as may be required in the administration of the Plan, subject to approval of expenditures for such services by the Council.

With consent of the Council, the Board may employ the services of one or more corporate trustees or investment counselors, with the objective of maximizing the investment potential of any fund or funds existing under this Plan which have been designated by the Board as pooled trust funds for purposes of joint investment. The Board shall require any corporate trustee or investment counselor so employed by the Board as a Fund manager to adhere to investment policy established by the Board and any terms, conditions, limitations, or restrictions imposed by law.

At the discretion of the Board, any expenses incurred for legal, administrative and actuarial services and fees of a corporate trustee and/or an investment counselor may be charged to and paid from the Fund.

8.11 Investment Policy:

The Board shall have the power to determine investment policy from time to time and shall be authorized to designate certain pension funds existing under this Plan as pooled trust funds for purposes of joint investment.

Investments authorized by the Board shall be made in a manner to satisfy all laws and regulations governing municipalities and the City Attorney of Columbus, Georgia shall determine the depositories and types of securities which meet requirements fixed by law.

8.12 Board Procedures:

The Board shall adopt by-laws to define the duties of the Board and to govern the conduct of its meetings. Meetings of the Board shall be held at least quarterly, or upon call by the Chairman.

8.13 Other Board Powers:

The powers of the Board not already enumerated are those of an administrative capacity because Council of Columbus, Georgia shall from time to time make changes and amendments to this Plan as needed for the complete and successful operation of the Plan, and no part of this Plan, whether implied or expressed, shall relieve the Council of Columbus, Georgia of this responsibility.

8.14 Claims Procedures:

All cases which might arise regarding dispute, interpretation or application of this Plan shall first be appealed to the Board, and finally the Court which has jurisdiction over the matters in question.

Section 9: General Provisions

9.01 Plan Administration:

The Board shall from time to time establish rules and regulations implementing the provisions hereof, for the proper administration of the Fund and Plan, and the transaction of its business consistent with the provisions of this Plan.

9.02 Nonalienation of Benefits:

The right of a Member to a Pension payment upon death or termination, or any other right accrued or accruing to any Member or Beneficiary under the provisions of this Plan, shall be unassignable and not be subject to sale, execution, garnishment, or attachment, or any other legal process whatsoever.

9.03 Effect of Law:

If any provision, Section, Subsection, paragraph, word, phrase, or clause of this Plan is for any reason found to be invalid or inoperative, or shall be held by a Court to be unconstitutional, the remainder hereof shall nevertheless continue in full force and effect.

9.04 Nonguarantee of Employment:

Nothing contained in this Plan shall be construed or interpreted as granting to any Employee the right to be retained in the service of the Government or as limiting or affecting adversely the right of the Government to control its Employees or to terminate the service of any of its Employees at any time for any reason.

9.05 Rights to Fund Assets:

The Fund shall constitute the sole source of funds which may be used to pay any Pension or type of benefits described herein.

9.06 Facility of Payment:

If the Board determines that a Member entitled to payments under the Plan is incompetent by reason of physical or mental disability, the Board shall have the power to cause the payments becoming due under the Plan to such person to be made to another person for the Member's benefit without responsibility of the Board to see to the application of such funds; and payments made pursuant to the power herein conferred upon the Board shall operate as a complete discharge of the Fund and the Board.

9.07 Construction:

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary. The words "hereof," "herein," "hereunder," and other similar compounds of the word "here," shall mean and refer to the entire Plan, not to any particular provision or Section. Section and Subsection headings are included for convenience of reference and are not intended to add to, or subtract from, the terms of the Plan.

- 9.08 Reporting to Council:** Every three (3) years, or more often if requested by Council, the Board will provide Council with a study which shows the projected unfunded liabilities and Government contribution expected to be attributable to the Plan over the following three years assuming a continued employee contribution at the rate then in effect.

Section 10: Amendments And Actions

The Council reserves the right to make, from time to time, amendment or amendments to this Plan which do not cause any part of the Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Members or their Beneficiaries. Any amendment to the Plan may be initiated by independent action of the Council or by recommendation from the Board, but shall not be in effect until approved by the Council.

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**COLUMBUS, GEORGIA EMPLOYEES'
DEFERRED RETIREMENT OPTION PLAN**

The Columbus, Georgia Employees Deferred Retirement Option Plan is created and administered by the Board of Trustees of the Columbus, Georgia Pension Plan for General Government Employees, "the General Government Plan", and the Columbus Georgia Pension Plan for Public Safety Employees, "the Public Safety Plan", in accordance with Section 4.04 of each respective pension plan. The purpose of this Deferred Retirement Option Plan shall be to allow the Government to anticipate retirement of personnel in an orderly fashion and to allow Employees the opportunity to make an irrevocable election which gives them the benefit of beginning to receive their pension set aside in a tax deferred account of the pension fund while still receiving a salary for up to three years. During the three years, the Participant will neither contribute to the current pension plan nor receive any recalculation of their future pension benefit which is finally determined upon entry into the DROP. Employment with the Government must be terminated upon completion of the selected DROP period. This Deferred Retirement Option Plan shall be effective as of July 1, 2012.

ARTICLE I

DEFINITIONS

- 1.1 **"Beneficiary"** shall mean any person, persons or entity entitled to receive a benefit under the Retirement Plan in the event of the Participant's death.
- 1.2 **"Board"** shall mean the Board of Trustees of the General Government Pension Plan and the Public Safety Plan.
- 1.3 **"DROP"** shall mean the Columbus, Georgia Employees Deferred Retirement Option Plan.
- 1.4 **"DROP Account"** shall mean the account established for each DROP participant under Section 3.1.
- 1.5 **"Eligible Employee"** shall mean any person defined as an Eligible Employee by the General Government Plan or Public Safety Plan.
- 1.6 **"Government"** The Consolidated Government of Columbus, Georgia, including the Consolidated Government (the successor to the prior governments of the City of Columbus, Georgia and of Muscogee County, Georgia), the Water Works Commission, the Hospital Authority, the Airport Commission, the Golf Authority, the Trade Center Authority, the Port Columbus Authority, Law Library and any other Board, Authority or Commission approved by the Council for joint participation in the Plan. The term "Government" shall also apply to all departments of such governmental entities.

- 1.7 **"Participant"** shall mean any Eligible Employee who elects to participate in the DROP in accordance with Section 2.2.
- 1.8 **"Plan Year"** shall mean the 12 month period beginning on any July 1 and ending on the immediately following June 30.
- 1.9 **"Retirement Plans"** shall mean the Columbus, Georgia Pension Plan for General Government Employees and the Columbus Georgia Pension Plan for Public Safety Employees as from time to time in effect.
- 1.10 All terms not specifically defined herein shall have the definitions set forth in the Retirement Plans.

ARTICLE II

PARTICIPATION

2.1 Eligibility to Participate

In lieu of terminating his employment with the Government, any Eligible Employee actively employed by the Government who has attained at least fifty five (55) years of age with 35 years of service or at least fifty eight (58) years of age with 30 years of service who wishes to retire, select their form of pension benefit, and select their period of participation in the DROP not to exceed three (3) years may elect to retire but remain employed by the Government as a full time Employee, defer receipt of such retirement benefit, and participate in the DROP.

2.2 Election to Participate

- (a) An Eligible Employee who meets the requirements of Section 2.1 shall become a Participant in the DROP by:
- (i) electing to participate in the DROP;
 - (ii) electing a form of payment for his benefits under the Retirement Plan; and
 - (iii) electing a period of participation in the DROP; provided, however, no employee shall be a Participant in the DROP for more than thirty six (36) months.
- (b) An Eligible Employee's elections under Section 2.2(a) must be made in writing in a time and manner determined by the Board and shall be effective on the first day of the first calendar month which is at least five business days after they are received by the Board. All elections made under Section 2.2(a) must be made before the Eligible Employee terminates his employment with the Government as an Eligible Employee and before he begins to receive a benefit under the Retirement Plan. Except as may otherwise be required by the terms of the

Retirement Plan or any applicable law, all elections made under Section 2.2(a) shall be irrevocable.

2.3 Termination of Participation

- a) A Participant in the DROP shall cease to be a Participant in the DROP at the end of the period of participation selected in accordance with 2.2(b) above, and at that time he must then terminate his employment with the Government. If the Participant has reached Normal Retirement Age or age 62 whichever is younger, a change of job status to part-time will qualify as termination to satisfy these provisions and he shall be considered to have reached actual Retirement pursuant to Section 3.05(a)(3) of his applicable Retirement Plan. A Participant may also terminate his participation in the DROP by terminating his employment with the Government before the expiration of his selected participation period.
- (b) Upon a Participant's termination of participation in the DROP, amounts shall cease to be transferred from the Retirement Plan to his DROP Account under Section 3.2, and any amounts remaining in his DROP Account shall be paid to him in accordance with the provisions of Article IV, unless forfeited pursuant to Section 4.2 below.

2.4 Effect of DROP Participation on Retirement Plan

- (a) Except as provided in Section 4.6 for Participants who become disabled, a Participant's vested accrued benefit under the Retirement Plan shall be determined on the basis of his years of service and final average salary determined as of the date of his election to participate in the DROP first becomes effective. The Participant shall not accrue any additional benefits under the Retirement Plan (except for any additional benefits provided under any cost-of-living adjustment in the Retirement Plan and any benefits payable under Section 4.6 for a Participant who becomes disabled) while he is a participant in the DROP.
- (b) A Participant shall not contribute to the Retirement Plan while he is a Participant in the DROP.
- (c) No amounts shall be paid to a Participant from the Retirement Plan while he is a Participant in the DROP. Unless otherwise specified in the Retirement Plan, amounts transferred from the Retirement Plan to the Participant's DROP Account shall be paid directly to the Participant only in accordance with the provisions of the DROP. Any such payment shall not occur prior to the first day of the month coincident with or next following the date the Participant terminates his participation in the DROP and his employment with the Government or otherwise satisfies the conditions of Section 2.3(a) above.

ARTICLE III

FUNDING

3.1 Establishment of DROP Account

A DROP Account shall be established for each Participant Participating in the DROP. A Participant's DROP Account shall consist of

- (a) amounts transferred to the DROP under Section 3.2 and
- (b) earnings on those amounts determined in accordance with the provisions of Section 3.3.

A Participant's DROP Account will not be segregated from the general assets of the Retirement Plan; however, it will be separately accounted for in the Retirement Plan's records.

3.2 Transfers from Retirement System

(a) As of the first day of each month of a Participant's period of participation in the DROP, the monthly retirement benefit he would have received under the Retirement Plan had he terminated his employment with the Government as an Eligible Employee and elected to receive monthly benefit payments under the Retirement Plan shall be transferred to his DROP Account. A Participant's period of participation in the DROP shall be determined in accordance with the provisions of Sections 2.2 and 2.3, but in no event shall it continue past the date he terminates his employment with the Government.

(b) Transfers to a Participant's DROP Account of his monthly benefit payment from the Retirement Plan shall cease upon the Participant's death. Any benefit payments which may be due under the Retirement Plan on the Participant's death shall be paid from the Retirement Plan in accordance with the form of payment the Participant selected under the Retirement Plan.

3.3 Earnings

As of the end of each month of a Participant's period of participation in the DROP, interest will be credited on all amounts in his DROP Account as of the last day of the immediately preceding month. The annual rate of interest will be 2% less than the annual rate of return for the Consolidated Government of Columbus, Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund determined, the Fund, as of the end of the prior Plan Year provided however the annual rate of interest will never exceed 2% less than the assumed rate of return then in effect for the Fund, and in the

event of a negative annual rate of return for the prior plan year, the following annual rate of interest on DROP accounts shall be 0% and a 2% administrative fee shall be assessed out of the participants DROP account, but the corpus and prior years' interest payments will be preserved.

3.4 Statement of Account

Each Participant shall receive quarterly statements in such form as the Board shall determine showing all amounts credited to his DROP Account and the interest credited on such amounts. The statements shall also contain such other information as the Board shall determine.

ARTICLE IV

DISTRIBUTION OF DROP ACCOUNTS ON TERMINATION OF EMPLOYMENT

4.1 Eligibility for Benefits

A Participant shall receive the balance in his DROP Account in accordance with the provisions of this Article IV upon his termination of employment with the Government or upon otherwise satisfying the conditions set forth in Section 2.3 (a) above. No amounts shall be paid to a Participant from the DROP prior to his termination of employment with the Government as an Eligible Employee.

4.2 Forfeitures

(a) If a Participant does not terminate his employment with the Government as an Eligible Employee at the end of the period of DROP participation he elected under Section 2.2(a), his DROP Account shall be forfeited and he shall receive only his benefit under the Retirement Plan, determined in accordance with the Retirement Plan's provisions. The Participant's benefit from the Retirement Plan shall commence after his employment with the Government is terminated or he otherwise satisfies the conditions set forth in Section 2.3(a) above, and shall be paid in the form elected by the Participant under Section 2.2(a).

(b) Any amounts forfeited under this Section 4.2 shall be used to reduce future transfers from the Retirement Plan to the DROP under Section 3.2.

4.3 FORM OF DISTRIBUTION

(a) Unless a Participant elects otherwise, distribution of his DROP Account shall be made in a cash lump sum. A Participant may elect, in such time and manner as the Board shall prescribe, to receive a benefit in any form permitted under Section 5.02 of the Retirement Plan which is of equivalent

actuarial value to all or any portion of his DROP Account. To the extent a Participant elects to receive a benefit in one of the forms permitted by Section 5.02 of the Retirement Plan for only a portion of his DROP Account, the remaining portion of his DROP Account shall be paid to him in a cash lump sum. For purposes of the DROP, equivalent actuarial value shall be determined using the same rates, tables and factors used to determine equivalent actuarial value for purposes of the Retirement Plan, or upon such other rates, tables and factors as the Board shall determine upon the advice of the Retirement Plan's actuary.

- (b) Notwithstanding the preceding, if a Participant dies before his benefit under the DROP commences, his DROP Account shall be paid to his Beneficiary in such optional form as his Beneficiary may select under Section 4.3(a).

4.4 Date of Payment of Distribution

- (a) Except as otherwise provided in this Article IV, distribution of a Participant's DROP Account shall begin as soon as administratively practicable following the Participant's termination of employment with the Government or his otherwise satisfying the conditions set forth in Section 2.3(a) above.
- (b) In lieu of a distribution as described in paragraph (a) above, a Participant may, in accordance with such procedures as the Board shall prescribe, elect to have the distribution of his DROP Account made as of the first day of any month coincident with or following his termination of employment with the Government or his otherwise satisfying the conditions set forth in Section 2.3(a) above; provided, however, payments shall be made before the distribution date elected by the Participant to the extent necessary to comply with the provisions of Section 4.7.
- (c) Any amounts in the DROP Account of a Participant who terminated his participation in the Drop in accordance with Section 2.3(a) shall continue to be invested as part of the DROP's funds but shall not be credited with interest on those funds in accordance with Section 3.3.

4.5 Proof of Death and Right of Beneficiary or Other Person

The Board may require and rely upon such proof of death and such evidence of the right of any Beneficiary or other person to receive the value of a deceased Participant's DROP Account as the Board may deem proper and its determination of the right of that Beneficiary or other person to receive payment shall be conclusive.

4.6 Disability

If a Participant becomes entitled to a disability benefit under Section 2.16 of the General Government Plan or section 2.15 of the Public Safety Plan, he will receive the greater of:

- (i) his benefits under the DROP and the Retirement Plan determined as if he terminated his employment with the Government as an Eligible Employee on the date he first became eligible for a disability benefit under the Retirement Plan; and
- (ii) his disability benefit under The Columbus, Georgia Major Disability Income Plan determined as if he had not elected to participate in the DROP.

4.7 Distribution Limitation

Notwithstanding any other provision of this Article IV, all distributions from the DROP shall conform to the regulations issued under Section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Further, such regulations shall override any DROP provision that is inconsistent with Section 401(a)(9) of the Internal Revenue Code.

4.8 Direct Rollover of Certain Distributions

Notwithstanding any provision of the DROP to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at a time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly by the DROP to an eligible retirement plan specified by the distributee in a direct rollover. The definitions set forth in section 5.3 of the General Government Plan and the Public Safety Plan shall apply to this Section.

ARTICLE V

ADMINISTRATION OF DROP

5.1 Board Administers the DROP

The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility for overseeing the investment of the DROP's assets shall be placed in the Board. The Board shall hold meetings and carry out its duties under the DROP in accordance with the provisions of the Retirement Plans as set forth in the then current version of "The Columbus Georgia Employee Defined Benefit Pension Plan Statement of Board Responsibilities, Governance and Investment Policy" which governs its conduct.

The members of the Board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or 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 may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement which may be adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A member of the Board shall not vote on any question relating exclusively to himself.

5.2 Individual Accounts, Records and Reports

The Board shall maintain, or cause to be maintained, records showing the operation and condition of the DROP, including records showing the individual balances in each Participant's DROP Account, and the Board shall keep, or cause to be kept, in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The Board shall prepare and distribute, or cause to be prepared and distributed, to Participants and other individuals or to be filed with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Internal Revenue Code and any other applicable laws.

5.3 Establishment of Rules

Subject to the limitations of the DROP, the Board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The Board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a Participant in the DROP). The determination of the Board as to the Interpretation of the DROP or its Determination of any disputed question shall be conclusive and final to the extent permitted by applicable law. The Board shall also oversee the investment of the DROP's assets.

5.4 Limitation of Liability

- (a) The members of the Board shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.

- (b) Neither the Board nor any member of the Board shall be responsible for any reports furnished by any expert retained or employed by the Board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The Board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.

ARTICLE VI

GENERAL PROVISIONS

6.1 Amendment of DROP

The Council reserves the right to make, from time to time, amendment or amendments to the DROP which do not cause any part of the DROP's funds to be used for, or diverted to, any purpose other than the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of any Participant's DROP Account or which creates any cost or liability to the Government. Any amendment to the Plan may be initiated by independent action of the Council or by recommendation from the Board, but shall not be in effect until approved by the Council.

6.2 Facility of Payment

If the Board shall find that a Participant or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the 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 DROP for that benefit.

6.3 Information

Each Participant, Beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the Board the information that it shall require to establish his rights and benefits under the DROP.

6.4 Written Elections, Notification

- (a) Any elections, notifications or designations made by an Eligible Employee, Participant, former Participant or

Beneficiary pursuant to the provisions of the DROP shall be made in writing and filed with the Board in a time and manner determined by the Board under rules uniformly applicable to all employees similarly situated. The Board reserves the right to change from time to time the time and manner for making notifications, elections or designations by Eligible Employees, Participants, former Participants and Beneficiaries under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.

- (b) Each Participant or former Participant who has a DROP Account shall be responsible for furnishing the Board with his current address and any subsequent changes in his address. Any notice required to be given to an Eligible Employee, Participant, former Participant or Beneficiary hereunder shall be deemed given if directed to him at the last such address given to the Board and mailed by Registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the Participant, former Participant or Beneficiary notifies the Board of his address.

6.5 Benefits Not Guaranteed

All benefits payable under the DROP shall be paid only from the assets of the DROP and neither the Government nor the Board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

6.6 Nonguarantee of Employment

Nothing contained in this Plan shall be construed or interpreted as granting to any Employee the right to be retained in the service of the Government or as limiting or affecting adversely the right of the Government to control its Employees or to terminate the service of any of its Employees at any time for any reason.

6.7 Administrative Expenses

The Board may pay the reasonable and necessary expenses of administering the DROP, including, but not limited to, expenses incurred in connection with investing the DROP's assets, from the funds of the DROP to the extent they are not otherwise paid by the Government.

6.8 Construction

- (a) The DROP shall be construed, regulated and administered under

the laws of Georgia and the Columbus Georgia Consolidated Government, except where other applicable law controls.

- (b) The masculine pronoun shall mean the feminine wherever appropriate.
- (c) All references to Sections shall be deemed to refer to the DROP unless otherwise specified.
- (d) The titles and headings of the Articles and Sections in this Plan are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.