

The City of Norwalk Police Department

Pension Plan

Effective July 1, 2010

THE CITY OF NORWALK POLICE DEPARTMENT
PENSION PLAN

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS	1
2. ELIGIBILITY.....	5
3. FUNDING POLICY; CONTRIBUTIONS	6
4. RETIREMENT DATES	8
5. CALCULATION OF RETIREMENT BENEFIT.....	9
6. FORMS OF PAYMENT OF RETIREMENT BENEFIT	14
7. RETIREMENT BENEFIT FOR TERMINATED VESTED PARTICIPANTS	17
8. DEATH BENEFITS	19
9. ROLLOVER CONTRIBUTIONS	22
10. ADMINISTRATION	26
11. AMENDMENT OR TERMINATION OF PLAN.....	30
12. ALLOCATION OF ASSETS	31
13. MERGER OR CONSOLIDATION OF PLANS	32
14. FUND.....	33
15. LIMITATION ON BENEFITS	34
16. MISCELLANEOUS PROVISIONS	36
APPENDIX A	41

PREAMBLE

This plan contains provisions which have previously been set forth in the Norwalk City Charter (1970) and in the Bargaining Agreements between the City of Norwalk and Norwalk Police Union, Local 1727, Council #15, AFSCME, AFL-CIO. Except as otherwise provided, effective July 1, 1997, the Police Benefit Fund document was amended and restated in its entirety, and was renamed The City of Norwalk Police Department Pension Plan (the "Plan"). Except to the extent prohibited by applicable law, the terms of the Bargaining Agreement, as amended from time to time, shall govern in the event of a conflict with this Plan document.

ARTICLE 1

DEFINITIONS

Section 1.01 Accrued Benefit. A Participant's Accrued Benefit, at any given point in time, shall be as set forth in Section 5.01.

Section 1.02 Bargaining Agreement. The Bargaining Agreement in effect from time to time between the Bargaining Unit and the City. The applicable provisions of the tentative Bargaining Agreement as of the execution of this restatement are set forth in Appendix A.

Section 1.03 Bargaining Unit. Norwalk Police Union, Local 1727, Council #15, AFSCME, AFL-CIO.

Section 1.04 Beneficiary. Any person or persons designated by the Participant, or otherwise entitled, to receive any benefit hereunder not received by the Participant or the Participant's Surviving Spouse.

Section 1.05 Board. The City of Norwalk Board of Police Commissioners (formerly Board of Public Safety).

Section 1.06 Charter. The Norwalk City Charter (1970).

Section 1.07 City. The City of Norwalk.

Section 1.08 Compensation. The Employee's weekly base salary, excluding (without limitation) payments for extra duty, overtime, longevity or shift premiums.

The annual compensation of each Participant taken into account in determining benefit accruals shall not exceed \$200,000. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan (the "determination period"). The \$200,000 limit on annual

compensation shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Notwithstanding any provision of the Plan to the contrary, Compensation shall not be reduced by elective deferrals or by salary reduction amounts contributed to any cafeteria plan of the Employer under Sections 125 (including, effective for Plan Years beginning after December 31, 1997, deemed Section 125 amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage) or 132(f) of the Code, or by any salary reduction amounts pursuant to Section 402(g)(3) of the Code.

Section 1.09 Dependent. The term as defined in Section 152 of the Internal Revenue Code of 1986, as amended from time to time.

Section 1.10 Domestic Relations Order. Any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other Dependent of a Participant and is made pursuant to a State domestic relations law.

Section 1.11 Effective Date. 1931.

Section 1.12 Employee. Any regular, full-time, permanent, investigating and uniformed member of the Employer who is duly sworn and vested with police powers.

Section 1.13 Employee Contributions. Contributions described in Section 3.03(a) and (b).

Section 1.14 Employer. The City of Norwalk and any governmental entity succeeding to the rights or assuming the obligations hereunder in the manner described in Article 13 hereof.

Section 1.15 Final Annual Salary. The Employee's Compensation for the last twenty-six (26) weeks of active employment with the Employer multiplied by two (2).

Section 1.16 Fund. The funds held by the Funding Agent derived from contributions made pursuant to the Plan, any property into which the same or any part thereof may be converted, and any increment thereto or income thereon.

Section 1.17 Funding Agent. The Board or any other trustee, insurance company or other person, or any combination of the foregoing, which is maintaining custody of the funds which derive from contributions made pursuant to the Plan and from which benefits shall be paid, or any successor to such person.

Section 1.18 Funding Agreement. The agreement of trust and/or group annuity contract pursuant to which the Funding Agent maintains custody of the Fund.

Section 1.19 Military Service. Full-time active service in the regular armed forces of the United States.

Section 1.20 Non-Service Connected Disability. A total and permanent disability which was not caused by the Participant's performance of duties as a police officer for the City that is not covered by the provisions of Conn. Gen. Stat. §7-433c and which precludes the Participant from engaging in any gainful employment. The determination of whether a Non-Service Connected Disability exists shall be made in accordance with procedures set forth in the Bargaining Agreement.

Section 1.21 Participant. An Employee participating in the Plan pursuant to Article 2 hereof.

Section 1.22 Plan. The City of Norwalk Police Department Pension Plan as set forth herein and as hereafter amended.

Section 1.23 Plan Year. The 12 month period commencing July 1 and ending June 30.

Section 1.24 Prior Plan. The City of Norwalk Police Benefit Fund, as set forth in the Charter and in various Bargaining Agreements existing from time to time prior to July 1, 1997.

Section 1.25 Service Connected Disability. A total and permanent disability as a result of a bodily injury or disease or mental impairment sustained in the performance of duties pertaining to the Participant's employment as a police officer for the City. The determination of whether a Service Connected Disability exists shall be made in accordance with procedures set forth in the Bargaining Agreement.

Section 1.26 Spouse or Surviving Spouse. The spouse or surviving spouse of the Participant under applicable state law, provided that a former spouse will be treated as the Spouse or Surviving Spouse to the extent provided under a Domestic Relations Order.

Section 1.27 Year of Service. An annual period during which an Employee performs active service with the Employer, including any period in which the Employee is on injury leave in accordance with the terms of the Bargaining Agreement. The first such annual period shall begin on the date on which an Employee first performs an Hour of Service, and subsequent annual periods shall begin on anniversaries thereof.

ARTICLE 2

ELIGIBILITY

Section 2.01 Eligibility to Participate. Each Employee who was a Participant in the Prior Plan on June 30, 1997 shall continue as a Participant. Any other Employee shall become a Participant on the date the Employee commences making Employee Contributions.

Section 2.02 Reemployment. If a Participant ceases to be an Employee and subsequently becomes an Employee again, the Participant shall be eligible to participate in the Plan as of the date on which the Participant again becomes an Employee and commences making Employee Contributions.

ARTICLE 3

FUNDING POLICY; CONTRIBUTIONS

Section 3.01 The Fund. The Employer shall maintain a fund pursuant to one or more Funding Agreements with one or more Funding Agents for the purpose of receiving, administering, investing and reinvesting contributions made hereunder, and the proceeds thereof, and for the purpose of providing for the payment of the benefits provided under the Plan.

Section 3.02 Contributions by the Employer. The Employer shall contribute to the cost of the Plan by making periodic contributions to the Funding Agent on the basis of actuarial calculations.

Section 3.03 Employee Contributions and Employer Pick-Up Contributions.

- (a) Each Employee shall contribute to the Plan the annual amount of seven percent (7%) of the Participant's Compensation for the Plan Year.
- (b) Notwithstanding (a) above, following the adoption of a resolution by the Employer, whereby the Employer shall pick up mandatory Employee Contributions to the Plan, the Employer shall contribute to the Plan on behalf of each Employee the annual amount of seven percent (7%) of the Participant's Compensation. Such contributions are hereby designated as Employee Contributions, but shall be treated as employer contributions pursuant to Section 414(h) of the Internal Revenue Code.

Section 3.04 Expenses of Administration. All expenses of the administration of the Plan, as well as the expenses of administration of the Fund, shall be paid from the Fund unless sooner paid by the Employer.

ARTICLE 4

RETIREMENT DATES

Section 4.01 Retirement Date. A Participant's Retirement Date shall be the Participant's Normal Retirement Date (as defined in Section 4.02), Late Retirement Date (as defined in Section 4.03), or Disability Retirement Date (as defined in Section 4.04) whichever is applicable to the particular Participant.

Section 4.02 Normal Retirement Date. A Participant's Normal Retirement Date shall be the Participant's forty-eighth (48th) birthday provided the Participant has twenty (20) Years of Service.

Section 4.03 Late Retirement Date. A Participant may remain in the service of the Employer after the Participant's Normal Retirement Date. In such event, the payment of a retirement benefit to the Participant shall be postponed to a Late Retirement Date which shall be the first day of the month after the Participant stops working for the Employer.

Section 4.04 Disability Retirement Date. A Participant's Disability Retirement Date shall be the first day of the month next following the earlier of: (a) the date on which a Participant is determined to have a Service Connected Disability; or (b) if a Participant has completed ten (10) Years of Service, the date on which the Participant is determined to have a Non-Service Connected Disability.

ARTICLE 5

CALCULATION OF RETIREMENT BENEFIT

Section 5.01 Accrued Benefit. The Accrued Benefit of a Participant, at any date of determination, shall be a monthly annuity commencing at the Participant's Normal Retirement Date in an amount equal to one-twelfth of two and one-half percent (2.5%) of such Participant's Final Annual Salary multiplied by the Participant's Years of Service, provided that in no event shall the maximum annual benefit provided by the Plan exceed seventy-five percent (75%) of a Participant's Final Annual Salary.

Section 5.02 Retirement Benefit. A Participant's Retirement Benefit shall be the Participant's Normal Retirement Benefit (as calculated in Section 5.03), Late Retirement Benefit (as calculated in Section 5.04), Service Connected Disability Retirement Benefit (as calculated in Section 5.05) Non-Service Connected Disability Retirement Benefit (as calculated in Section 5.06), or Retirement Benefit for Terminated Vested Participants (as calculated in Section 7.04), whichever is applicable to the particular Participant.

Section 5.03 Calculation of Normal Retirement Benefit. A Participant's Normal Retirement Benefit shall be the Participant's Accrued Benefit calculated as of the Participant's Normal Retirement Date.

Section 5.04 Calculation of Late Retirement Benefit. A Participant who continues to be an Employee of the Employer after the Participant's Normal Retirement Date shall receive a Late Retirement Benefit, payable commencing on the Participant's Late Retirement Date,

which shall be the Participant's Accrued Benefit calculated in accordance with Section 5.01 as of the Participant's Late Retirement Date, using Final Annual Salary and Years of Service through the Participant's Late Retirement Date.

Section 5.05 Calculation of Service Connected Disability Retirement Benefit. A Participant who is eligible for a Disability Retirement Date, pursuant to Section 4.04(a), shall receive a Service Connected Disability Retirement Benefit, payable commencing on the Participant's Disability Retirement Date, which shall be the greater of: (i) a monthly annuity equal to one twelfth of fifty percent (50%) of a Participant's Final Annual Salary when the Service Connected Disability arose; and (ii) the Participant's Accrued Benefit calculated as of the Disability Retirement Date provided such Participant has reached the Participant's Normal Retirement Date.

Section 5.06 Calculation of Non-Service Connected Disability Retirement Benefit. A Participant who is eligible for a Disability Retirement Date, pursuant to Section 4.04(b), shall receive a Non-Service Connected Disability Retirement Benefit, payable commencing on the Participant's Disability Retirement Date, which shall be the Participant's Accrued Benefit calculated as of the Participant's Disability Retirement Date.

Section 5.07 Continuation and Discontinuation of Disability Retirement Benefits. A Participant receiving a Service Connected Disability Retirement Benefit or a Non-Service Connected Disability Retirement Benefit (either, a "Disability Retirement Benefit") may be required to submit to periodic medical examinations in accordance with the Bargaining Agreement. The City may discontinue Disability Retirement Benefits if it determines, pursuant to procedures set forth in the Bargaining Agreement, that the disability no longer exists. When a disability ceases, the Participant may be eligible for another form of Retirement Benefit under the

Plan only if the Participant satisfies the applicable requirements for the other form of Retirement Benefit. For the purpose of determining Years of Service for such Participants, credit shall be granted only for service prior to the Disability Retirement Date. When a Participant who was vested on the Participant's Disability Retirement Date attains age 48 the Participant's Disability Retirement Benefit shall cease and the Participant shall be eligible for a Normal Retirement Benefit or a Retirement Benefit for Terminated Vested Participants, whichever is applicable.

Section 5.08 Offsets to Disability Retirement Benefits.

- (a) Any Disability Retirement Benefit payable under this Plan shall be reduced so that the combined amount of the Disability Retirement Benefit, workers' compensation and/or heart and hypertension benefits for which the City is liable shall not exceed the lesser of: (i) one hundred percent (100%) of the Participant's base salary in effect immediately prior to disability, or (ii) if the Participant had reached the Participant's Normal Retirement Date, one hundred percent (100%) of the Participant's Normal Retirement Benefit.
- (b) Any Disability Retirement Benefit payable under this Plan shall be reduced so that the combined amount of the Disability Retirement Benefit, workers' compensation benefit, heart and hypertension benefits, and earnings from employment or self employment do not exceed the salary in the current Bargaining Agreement applicable to employees holding the same rank or position held by the Participant at retirement.

Offsets shall be determined in accordance with procedures set forth in the Bargaining Agreement.

Section 5.09 Cost of Living Adjustment for Retirement Benefit or Disability Retirement Benefit. Commencing when a retired Participant attains age 62, the retired Participant's

Retirement Benefit shall increase one and one-half percent (1 1/2%) per Plan Year thereafter effective upon each anniversary of the Participant's Retirement Date to take into account cost of living adjustments.

Section 5.10 Military Service Adjustment.

- (a) For purposes of calculating a Participant's Accrued Benefit, a Participant may purchase a maximum of two (2) additional Years of Service for the Participant's Military Service subject to the following limitations:
- (1) For Employees employed on June 30, 1991, the Employee must elect to purchase any Years of Service for Military Service within twelve (12) months of having been notified by the City of the right to purchase such service;
 - (2) For Employees hired on or after July 1, 1991, the Employee must elect to purchase any Years of Service for Military Service within eighteen (18) months of the Employee's date of hire or return to active employment with the Employer following Military Service, provided the purchase of such service shall not violate Section 415 of the Internal Revenue Code.
- (b) The cost to an Employee for purchasing Years of Service for Military Service shall be equal to: seven percent (7%) of the Employee's base annual salary at the time of the election for each year, or portion thereof, of Military Service purchased. The Employee may pay this amount in installments over a period of up to twenty-four (24) months.

Section 5.11 Minimum Benefit for Certain Retirees and their Beneficiaries.

Notwithstanding any provision of this Plan to the contrary, effective July 1, 2002, the (i)

Retirement Benefit of a Participant who retired on or before July 1, 1986, and (ii) the death benefit payable to the surviving beneficiary of such a Participant, shall not be less than \$700 per month. The Section 5.09 cost of living adjustment shall not apply to such minimum benefit.

ARTICLE 6

FORMS OF PAYMENT OF RETIREMENT BENEFIT

Section 6.01 Unmarried Participants - Standard Form of Benefit. The standard form of Retirement Benefit for a Participant who is not married on the Participant's Retirement Date shall be a monthly amount equal to the amount determined in the applicable Section of Article 5, payable as a monthly annuity commencing on said applicable Retirement Date and payable on the first day of each month thereafter during the life of the Participant.

Section 6.02 Married Participants - Standard Form of Benefit - Joint and Survivor Annuity. The standard form of Retirement Benefit for a Participant who is married on the Participant's Retirement Date shall be a monthly amount equal to the amount determined in the applicable Section of Article 5, payable as a monthly annuity commencing on said applicable Retirement Date and payable on the first day of each month thereafter during the life of the Participant, with a survivor annuity for the life of the Participant's Spouse payable monthly commencing after the Participant's death and equal to one hundred percent (100%) of the joint annuity.

Section 6.03 Latest Date for Commencement of Payments.

(a) General Rules.

- (i) For Plan Years beginning prior to January 1, 1997, the required beginning date of a Participant shall be the first day of April of the calendar year following the calendar year in which the Participant attains age 70-½;
- (ii) On or after January 1, 1997, the required beginning date of a Participant who attains age 70-½ in 1997 or later shall be the first day of April of the

- calendar year following the later of the calendar year in which the Participant attains age 70-½ or terminates employment;
- (iii) A Participant shall commence his ~~or her~~ benefit distributions (in amounts which at least satisfy the minimum required distributions of Section 401(a)(9) of the Code) no later than the required beginning date applicable to such Participant.
- (b) Special Rule. For any Participant who attains age 70-½ on or after January 1, 1997, and on or before December 31, 2002, unless such Participant elects to commence or continue receiving his or her benefit distributions in accordance with the time set forth in subsection (a)(i) above, then the benefit distributions to the Participant (in amounts which at least satisfy the minimum required distributions of Section 401(a)(9) of the Code) shall be deferred until such time as is required by subsection (a)(ii) above.
- (c) Overall General Rule. Payment of benefits shall commence not later than the 60th day after the close of the Plan Year in which the latest of the following events have occurred:
- (i) The Participant has attained the earlier of age 65 or the normal retirement age;
- (ii) The tenth anniversary of the year in which a Participant first became a Participant has occurred; or
- (iii) The Participant has terminated service with the Employer.
- (d) Actuarial Adjustments. For a Participant whose required beginning date is the April 1 of the calendar year following the calendar year of the Participant's

termination of employment, as determined by Section 401(a)(9)(c)(i)(II), in the event such Participant terminates employment in a calendar year after the calendar year in which the Participant attains age 70-½, then such Participant's retirement benefit shall be actuarially increased in accordance with Section 401(a)(9)(c)(iii) and any applicable regulations or other IRS guidance issued thereunder.

ARTICLE 7

RETIREMENT BENEFIT FOR TERMINATED VESTED PARTICIPANTS

Section 7.01 Retirement Benefit for Terminated Vested Participants. A Participant who terminates employment with the Employer prior to the Participant's Normal Retirement Date and who is vested in the Participant's Accrued Benefit, is a Terminated Vested Participant and shall receive a Retirement Benefit for Terminated Vested Participants as defined in Section 7.04.

Section 7.02 Vesting of Accrued Benefit Attributable to Employer Contribution. A Participant shall be vested in the Participant's Accrued Benefit attributable to Employer Contributions upon the occurrence of one of the following events:

- (a) Upon completing ten (10) Years of Service; or
- (b) Upon the termination of the Plan as provided in Article 10 hereof.

Until the occurrence of one of such events, the Participant's vested percentage shall be 0%.

Section 7.03 Vested Percentage in Employee Contribution. A Participant shall always be 100% vested in the Employee Contributions that a Participant makes to the Plan, as set forth in Section 7.06 hereof.

Section 7.04 Calculation of Retirement Benefit for Terminated Vested Participants. The Retirement Benefit for a Terminated Vested Participant shall be the Participant's Accrued Benefit, calculated as of the date of the Participant's termination of employment. Such Accrued Benefit shall be determined under Plan provisions in effect on the Participant's date of termination of employment.

Section 7.05 Time of Commencement and Manner of Payment of Benefit for Terminated Vested Participants. A Terminated Vested Participant shall begin receiving the Participant's Retirement Benefit upon attaining age 48. The form of benefit shall be determined in accordance with the rules set forth in Article 6.

Section 7.06 Return of Employee Contributions. A Participant who terminated without a vested Accrued Benefit shall receive a refund of the Participant's Employee Contributions to the Plan made after July 1, 1971.

A Participant who terminated with a vested Accrued Benefit may elect to receive a refund of the Participant's Employee Contributions to the Plan. Election of such a refund shall cause the Participant to forfeit any remaining interest in the Participant's Accrued Benefit.

Section 7.07 Forfeitures. Any forfeitures on termination of service, or for other reason, shall be used as soon as possible to reduce the amount of contributions by the Employer.

ARTICLE 8

DEATH BENEFITS

Section 8.01 Participants Eligible to Retire. If at the time of a Participant's death the Participant would have been eligible for a Normal Retirement Benefit or a Late Retirement Benefit, a death benefit shall be payable to the eligible Dependent(s), if any, of the Participant. The amount of such benefit shall be equal to the amount of Retirement Benefit the Participant would have received if the Participant had retired immediately prior to the Participant's death, but in no event less than one-twelfth (1/12) of fifty percent (50%) of the Participant's Final Annual Salary in effect immediately prior to the Participant's death; provided, however, such benefit shall be reduced so that under no circumstance shall the benefit plus benefits received by the survivor under Chapter 568 of the Connecticut General Statutes or under Sections 7-433a, 7-433b or 7-433c, as amended from time to time, exceed one-twelfth (1/12) of one hundred percent (100%) of the Participant's Final Annual Salary on the day prior to the Participant's death. Such benefit will be payable monthly:

- (a) to the widow of such Participant until the widow's death or remarriage; or
- (b) if no Dependent qualifies under paragraph (a) for payment, to the children of the Participant while such children are under the age of 16; or
- (c) if no Dependent qualifies under paragraph (a) or paragraph (b) for payment, to the parents or other Dependents of the Participant if such Dependents shall have depended on the Participant for support prior to the Participant's death.

Section 8.02 Service Related Death. When a Participant shall have been killed while in the actual performance of duty, or shall have died from the effects of any injury received while in the actual discharge of such duty, a death benefit shall be payable to the eligible Dependent(s), if any, of the Participant. The amount of such benefit shall be equal to one-twelfth (1/12) of fifty percent (50%) of the Participant's Final Annual Salary in effect immediately prior to the Participant's death; provided, however, such benefit shall be reduced so that under no circumstance shall the benefit plus benefits received by the survivor under Chapter 568 of the Connecticut General Statutes or under Sections 7-433a, 7-433b or 7-433c, as amended from time to time, exceed one-twelfth (1/12) of one hundred percent (100%) of the Participant's Final Annual Salary on the day prior to the Participant's death. Such benefit will be payable monthly:

- (a) to the widow of such Participant until the widow's death or remarriage; or
- (b) if no Dependent qualifies under paragraph (a) for payment, to the children of the Participant while such children are under the age of 16; or
- (c) if no Dependent qualifies under paragraph (a) or paragraph (b) for payment, to the parents or other Dependents of the Participant if such Dependents shall have depended on the Participant for support prior to the Participant's death.

Section 8.03 Return of Employee Contributions To Beneficiary. Upon the death of a Participant who has not qualified for a death benefit under Sections 8.01 or 8.02 herein, including a Participant who has not qualified for such death benefit merely due to a lack of eligible Dependents, a lump sum equal to the total of Employee Contributions to the Plan made by the Participant on or after July 1, 1971 shall be paid to the Beneficiary designated by the Employee, or if no Beneficiary has been designated, then to the estate of the Participant.

Section 8.04 No Duplication of Benefits. The death benefit payable with respect to any particular Participant shall be a benefit described in Section 8.01, 8.02 or 8.03. In no event will a death benefit be payable under more than one of the above sections on behalf of any one Participant.

Section 8.05 Special Death Benefits. Notwithstanding any other provision of the Plan, the following special death benefits shall be payable:

- (a) A death benefit shall be payable to the eligible Dependent(s) of Gary Palmer (date of hire March 21, 1974). The amount and timing of such death benefit shall be determined in accordance with Section 8.01. For purposes of said Section 8.01, Gary Palmer shall be deemed to have been eligible for a Normal Retirement Benefit at the time of his death; and
- (b) A death benefit shall be payable to the eligible Dependent(s) of Paul Stevens (date of hire April 21, 1988). The amount of such death benefit shall be equal to the amount of the Participant's Accrued Benefit calculated as of his date of death. Such death benefit shall be payable monthly, commencing as soon as practicable, to the eligible Dependent(s) as determined in accordance with the terms of the final sentence of Section 8.01. When there are no longer any eligible Dependent(s), such death benefit shall cease.

ARTICLE 9

ROLLOVER CONTRIBUTIONS

Section 9.01 Rollover Contributions - Election Rules. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this subsection, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator in accordance with applicable regulations, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

- (a) A Distributee who is entitled to elect a Direct Rollover with respect to all or any portion of a distribution but who does not make any election shall be deemed to have rejected the Direct Rollover option.
- (b) A Distributee who elects a Direct Rollover with respect to any Eligible Rollover Distribution that is one in a series of installment payments made at least annually over a period of less than 10 years shall be deemed to have made the same election with respect to all subsequent Eligible Rollover Distributions in the series unless and until the Distributee changes the election. A change of election shall be accomplished by notifying the Plan Administrator of the change in the form and manner prescribed by the Plan Administrator.
- (c) Within a reasonable period of time before an Eligible Rollover Distribution is to be made, and in accordance with section 402(f) of the Internal Revenue Code and applicable regulations, the Plan Administrator shall provide to the Distributee an explanation of the right to elect a Direct Rollover, the federal tax withholding consequences of failing to elect a Direct Rollover, the tax effects of making a rollover (other than a Direct Rollover) to an Eligible Retirement Plan, and the tax

rules applicable to lump sum distributions, if applicable. A Distributee who elects a Direct Rollover must provide all information that the Plan Administrator may require to complete the Direct Rollover.

Section 9.02 Rollover Definitions. For the purposes of this section, the following definitions will apply:

- (a) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance of the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (at least annually) made for the life (or the life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (b) A distribution of less than \$200 that would otherwise be an Eligible Rollover Distribution with the meaning of item (a) shall not be an Eligible Rollover Distribution if it is reasonable to expect that all such distributions to the Distributee from the Plan during the same calendar year will total less than \$200.
- (c) An "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section 408(b) of the Internal Revenue Code or a qualified trust

described in Section 401(a) of the Internal Revenue Code, that accepts the Distributee's Eligible Rollover Distribution. 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. Effective for distributions made after December 31, 2001, the definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code. For distributions made after December 31, 2007, a Participant may elect to roll over directly an Eligible Rollover Distribution to a Roth IRA described in section 408A(b) of the Code.

- (d) A "Distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, are Distributees with regard to the interest of the spouse or former spouse. Effective July 1, 2010, a non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E), by a Direct Rollover (as defined below), may roll over all or any portion of his or her distribution to an individual retirement account that the Beneficiary establishes for purposes of receiving the distribution. In order to roll over the distribution, the distribution otherwise must

satisfy the definition of an Eligible Rollover Distribution (as defined above). Any distribution made prior to July 1, 2010 is not subject to the direct rollover requirements of section 401(a)(31) of the Code (including section 401(a)(31)(B) of the Code, the notice requirements of section 402(f) of the Code, or the mandatory withholding requirements of section 3405(c) of the Code). If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. § 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary's distribution.

- (e) A "Direct Rollover" is a payment by the Plan directly to the Eligible Retirement Plan specified by the Distributee.

ARTICLE 10

ADMINISTRATION

Section 10.01 Responsibilities of the Plan Administrator. The Board shall be the Plan Administrator of the Plan, and shall have the following powers and responsibilities as Plan Administrator of the Plan:

- (a) To determine benefit rights;
- (b) To adopt such method for the computation of periods of service and participation as shall be permitted by law;
- (c) To instruct the Funding Agent in the disbursement of benefits;
- (d) To make such rules and regulations as it may deem necessary to carry out the provisions of the Plan;
- (e) To employ, where necessary or desirable in the administration of the Plan, actuaries, attorneys, accountants and other individuals, who shall not be fiduciaries merely as a result of their employment hereunder, and to delegate to such individual such powers and responsibilities as it shall determine;
- (f) To determine, in accordance with uniform standards, any question arising in the administration, interpretation and application of the Plan, such determination to be conclusive and binding to the extent the same shall not be plainly inconsistent with the terms of the Plan or any applicable law;
- (g) To decide any disputes which may arise;
- (h) To give instructions and directions to the Funding Agent as necessary;

- (i) To designate, consistent with sound standards, the actuarial bases to be used for all actuarial calculations; and
- (j) To keep record of all allocations and designations of fiduciary duties made in accordance with the provisions of this Article.

The Board may allocate some or all of its powers and responsibilities as Plan Administrator, as enumerated above, to such individuals, committees of individuals, firms or corporations as it shall determine, in which case such individuals, committees of individuals, firms or corporations shall be named fiduciaries. Such allocations shall be made in writing and shall name the entity to whom the allocation has been made and describe the fiduciary duties allocated to it.

Section 10.02 Responsibilities of the Board. The Board shall have the following powers and responsibilities with regard to the Plan, apart from any powers and responsibilities it shall have as Plan Administrator:

- (a) To appoint and change the Funding Agent;
- (b) To periodically review the performance of all entities to which the Board allocates or delegates responsibilities under this Section and under Section 10.01.

Section 10.03 Responsibilities of the City. The City shall have the following powers and responsibilities with regard to the Plan:

- (a) To amend or terminate the Plan; and
- (b) To determine the funding policy of the Plan.

Section 10.04 Responsibilities of the Funding Agent. The Funding Agent shall have the following powers and responsibilities:

- (a) To maintain custody of the Fund;
- (b) To manage and control the investment of the Fund;
- (c) To disburse benefits as instructed by the Plan Administrator or the Plan Administrator's agent;
- (d) To perform any other functions which are specifically allocated to it in its agreement with the Board.

Section 10.05 Limitation of Responsibilities. The responsibility of the City, Board Plan Administrator, and Funding Agent, or any individuals, committees of individuals, firms or corporations, to which responsibilities are allocated, or who are designated to perform fiduciary responsibilities, as provided herein, shall be limited to that expressly granted and neither the City, Board, Plan Administrator, and Funding Agent, nor any such individuals, committees of individuals, firms or corporations shall be responsible except for his, her, its or their own acts or omissions.

Section 10.06 Finality of Plan Administrator's Determinations and Authority. In exercising its powers and responsibilities as the Plan Administrator, the Board, or, when appropriate, the individuals, committees of individuals, firms or corporations to whom any power and responsibility is allocated, shall have full and uncontrolled discretion to make any determination or decision and, when made, such determination and decision shall be final, conclusive and binding.

Section 10.07 City to Act by City Council. Whenever the City is required to make any appointment or allocate or delegate any responsibilities, such action may be taken by the City Council. Without limiting the generality of the foregoing, the City Council may confer upon any individual, committee of individuals, firm or corporation further power to delegate responsibilities.

ARTICLE 11

AMENDMENT OR TERMINATION OF PLAN

Section 11.01 Right to Amend Plan. The City reserves the right at any time and from time to time by action of the City Council to amend, in whole or in part, any or all of the provisions of the Plan by notice thereof in writing delivered to the Board, provided that (a) no amendment shall be made which conflicts with the Bargaining Agreement in effect on the effective date of such amendment, and (b) no such amendment shall authorize or permit, at any time prior to the satisfaction of all liabilities with respect to the Plan, any part of the Trust Fund to be used for or diverted to purposes other than for the exclusive benefit of the persons covered by the Plan.

No such amendment shall have the effect of retroactively changing, or depriving Employees, Beneficiaries and contingent annuitants of, rights already accrued under the Plan, provided that any amendment may be made retroactively which is necessary to bring the Plan into conformity with governmental regulations in order to qualify or maintain the qualification of the Plan for tax exemptions.

Section 11.02 Right to Terminate Plan. The City, by action of the City Council, reserves the right to terminate the Plan with respect to its Employees and Participants at any time, provided that no termination shall be made which conflicts with the Bargaining Agreement in effect. Any such termination shall be set out in an instrument in writing executed on behalf of the City, by action of the City Council, and this Plan shall be deemed to have been terminated with respect to the Employer in the manner and to the extent set forth in such instrument, accompanied by a duly certified copy of a resolution of the City Council.

ARTICLE 12

ALLOCATION OF ASSETS

Section 12.01 Allocation of Assets. In the event of termination of the Plan, each Participant's Accrued Benefit, or in the event of the termination of the Plan with respect to a group of Participants which constitutes a partial termination of the Plan, the Accrued Benefit of each Participant affected by such partial termination, calculated as of the date of such event, shall become fully vested and nonforfeitable to the extent funded by Plan assets. To the extent that the Plan is not sufficiently funded to pay all Accrued Benefits that are due Participants under this Section, the Plan shall allocate Plan Assets in accordance with section 4044 of ERISA.

Section 12.02 Impossibility of Diversion of Assets. Anything in this Plan which might be construed to the contrary notwithstanding, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to Participants for any part of the corpus or income of the Fund to be used for, or diverted to, purposes other than for the purposes herein stated.

Section 12.03 Permanent Discontinuance of Contributions. In the event contributions hereto are permanently discontinued, the provisions of Section 12.01 shall apply as of the date of discontinuance.

ARTICLE 13

MERGER OR CONSOLIDATION OF PLANS

Section 13.01 Successor Employer. In the event of the dissolution, merger, consolidation or reorganization of the Employer, provision may be made by which the Plan and Funding Agreement will be continued by the successor, and, in that event, such successor shall be substituted for the Employer under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor, and the successor shall have all the powers, duties and responsibilities of the Employer under the Plan.

ARTICLE 14

FUND

Section 14.01 Appointment and Transfer of Funds. To carry out the provisions of the Plan, the Board will provide for the custody and investment of the funds which arise from contributions pursuant to the Plan and for the payment of benefits under the Plan by agreement with such Funding Agent as it may from time to time determine, which agreement shall constitute a part of the Plan.

Section 14.02 Successor Funding Agent; Miscellaneous. The Board in its sole and absolute discretion reserves the right at any time and from time to time to designate a successor Funding Agent; to enter into and make amendments to such contracts or agreements with the Funding Agent as it may deem desirable to accomplish the objectives of the Plan; to provide for the payment thereafter of the contributions hereunder to another Funding Agent; and to require a Funding Agent to transfer funds arising from contributions pursuant to the Plan to another Funding Agent, provided that the Board shall have no power to perform any of such actions in such manner as will cause or permit any part of the funds accumulated pursuant to the Plan to be diverted to purposes other than for the exclusive benefit of Participants or their Beneficiaries, survivors or estates, retired employees or their Beneficiaries or as will cause or permit any portion of such funds to revert to or become the property of the Employer prior to the satisfaction of the liabilities under the Plan.

ARTICLE 15

LIMITATION ON BENEFITS

Section 15.01 Limitation of Benefits to Comply With Section 415. Effective for limitation years beginning on or after July 1, 2007, and notwithstanding any Plan provisions to the contrary, in no event may the maximum annual retirement benefit payable to a Participant under the Plan and any other defined benefit plan of the Employer at any time within the limitation year exceed the limitations contained in Internal Revenue Code Section 415 (as amended from time to time, including, without limitation, P.L. 108-218, the Pension Funding Equity Act of 2004, P.L. 109-280, the Pension Protection Act of 2006, and P.L. 110-458, the Worker, Retiree and Employer Recovery Act of 2008) and the regulations and guidance issued thereunder, which are hereby incorporated by reference, including, without limitation, the definition of compensation as set out therein. The term "compensation" for purposes of compliance with the limitations under Internal Revenue Code Section 415 shall include the following:

- (i) wages as reported for purposes of federal income tax on Form W-2;
- (ii) elective deferrals as defined in Section 402(g)(3) of the Internal Revenue Code and salary reduction contributions of the Participant not includible in his or her gross income by reason of Section (including amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage) or Section 132(f) of the Internal Revenue Code; and

(iii) compensation paid after severance from employment as set out in Treas.
Reg. § 1.415(c)-2(e)(3).

ARTICLE 16

MISCELLANEOUS PROVISIONS

Section 16.01 Exclusive Benefit. This Plan shall be for the exclusive benefit of Participants and their Beneficiaries and all of the funds held by the Funding Agent shall be exclusively devoted to such purpose. No portion of any such funds shall revert to or become the property of the Employer prior to the termination of the Plan and the satisfaction of all liabilities with respect to Participants and their Beneficiaries.

Section 16.02 Nonalienation of Benefits. No benefit at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or encumbrances of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefits, whether presently or thereafter payable, shall be void. No retirement benefit nor the Fund shall in any manner be liable for or subject to the debts or liability of any Employee, Terminated Vested Participant, Participant, Beneficiary or pensioner entitled to any retirement benefit. If the Employee, Participant, former Participant, Beneficiary or pensioner shall attempt to or shall alienate, sell, transfer, assign, pledge or otherwise encumber the Participant's benefit under the Plan or any part thereof, or if by reason of the Participant's bankruptcy or other event happening at any time, such benefits would devolve upon anyone else or would not be enjoyed by him, then the Employer, in its discretion, may terminate the Participant's interest in any such benefit, and hold or apply it to or for the benefit of such person, the Participant's Spouse, children, or other Dependent or any of them, in such manner as the Board may deem proper.

The preceding paragraph shall not apply to the creation, assignment or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order.

Section 16.03 Facility of Payment. If the Board shall receive evidence satisfactory to it that any person entitled to receive any benefit hereunder is, at the time when such benefit becomes payable, physically, mentally or legally incompetent to receive such benefit and to give a valid receipt therefor and that another individual or institution is then maintaining or has custody of such person and that no guardian, committee or other representative of the estate of such person shall have been duly appointed, the Board may cause payment of such benefit to such individual or institution maintaining or having the custody of such person, and the receipt of such individual or institution shall be a valid and complete discharge for the payment of such benefit. If a person dies before cashing any or all of the checks representing a payment or payments due under the Plan, such payment or payments so payable to such deceased person shall be made in the discretion of the Board either to:

- (a) the person or persons who would be entitled to the deceased person's personal property under the laws of the State of Connecticut (which shall also fix the proportionate interest of such persons) if the person had died intestate a resident of Connecticut at the time for such payment under the provisions of the Plan; or
- (b) such relative or relatives of the deceased person by blood, marriage, or adoption as the Board may select; or
- (c) the estate of the deceased person.

Section 16.04 No Right to Continued Employment. Nothing in this Plan shall be construed as giving any Employee of the Employer the right to be retained in the Employer's employ or the right to any payment whatsoever except to the extent of the benefits provided for

in the Plan. The Employer expressly reserves the right to dismiss any Employee at any time without liability for the effect which such dismissal might have upon the Employee as a Participant in this Plan.

Section 16.05 Sufficiency of Fund. All benefits payable under this Plan shall be paid or provided for solely from the Fund or from accounts segregated from the Fund in accordance with the Plan. The Employer shall not be liable for the payment thereof.

Section 16.06 Claims Procedure. Any denial of a claim for benefits under the Plan shall be stated in writing by the Board and delivered or mailed to the Participant or Beneficiary whose claim for benefits has been denied, and shall set forth specific reasons for such denial, written in a manner calculated to be understood by such Participant or Beneficiary. Within sixty (60) days after receiving the notification of such denial, any such Participant or Beneficiary may notify the Board in writing of the Participant's desire for a review of such decision. Upon such notification, the Board shall schedule a review proceeding at which the Participant shall restate the Participant's arguments for such claim to a representative of the Board. The Board's decision following such hearing shall be made within thirty (30) days and shall be communicated in writing to the Participant.

Section 16.07 Qualified Plan. The Plan is intended to be a governmental plan under section 414(d) of the Internal Revenue Code, and "qualified" as such under section 401(a) of the Internal Revenue Code. Any associated trust to the Plan is intended to comply with all provisions of the Internal Revenue Code and Employee Retirement Income Security Act of 1974 relating to such plans and trusts. All questions shall be resolved to be consistent with such intent.

Section 16.08 Return of Employer Contributions Under Special Circumstances. Any Employer contribution made under a mistake of fact may be returned to the Employer within one year of such contribution.

Section 16.09 Governing Law. The provisions of the Plan shall be construed, administered and enforced according to the laws of the State of Connecticut.

Section 16.10 Gender and Number. Words used in the masculine include the feminine gender. Words used in the singular or plural shall be construed as if plural or singular, respectively, where they would so apply.

Section 16.11 Titles. Titles of articles and notes in margins are inserted for convenience and shall not affect the meaning or construction of the Plan.

Section 16.12 Special Rules Regarding Qualified Military Service (USERRA).

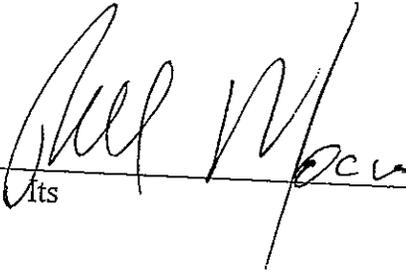
- (a) General. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.
- (b) Death Benefits. In the case of a death or disability occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in section 414(u) of the Code), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.
- (c) Benefit Accrual. For benefit accrual purposes, the Plan treats an individual who, on or after January 1, 2007, dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the

Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. With respect to the period of said individual's qualified military service, the Plan will treat said service as counting toward said individual's Years of Service under the Plan.

- (d) Determination of Benefits. To the extent the Plan requires employee contributions in order for the Participant to accrue benefits under the Plan, then the Plan will determine the amount of employee contributions of an individual treated as reemployed under these provisions for purposes of applying section 414(u)(8)(C) of the Code on the basis of the individual's average actual employee contributions for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.
- (e) Differential Wage Payments. For years beginning after December 31, 2008, (1) an individual receiving a differential wage payment from the Employer, as defined by section 3401(h)(2) of the Code, shall be treated as an Employee of the Employer making the payment, (2) the differential wage payment shall be treated as compensation, and (3) the Plan shall not be treated as failing to meet the requirements of any provision described in section 414(u)(1)(C) of the Code by reason of any contribution or benefit which is based on the differential wage payment.

THE CITY OF NORWALK

Dated: 1/26/11

By 
Its

APPENDIX A

ARTICLE 24 RETIREMENT AND SURVIVOR BENEFITS

SECTION 1. The retirement plan set forth in this document and the document titled "City of Norwalk, Police Department Pension Plan" shall be known as the police pension plan. No change in the police pension plan shall be made without negotiating with the Union. A copy of the most recent Actuarial Report will be forwarded to the Union within seven (7) working days of receipt by the City.

SECTION 2. Any regular member of the Police Department shall be eligible to retire and shall, at his/her request, be placed on the retirement list, provided that he/she has completed twenty (20) years of service and reached his/her forty-eighth (48th) birthday.

SECTION 3. Upon retirement, said member shall receive a pension to be computed on the basis of two and one-half percent (2 1/2%) per year of service plus any portion of a year prorated based on completed whole month(s) of such service, up to a maximum of seventy-five percent (75%) times his/her salary for the twenty-six (26) weeks prior to date of retirement. The following method shall be used to calculate a member's monthly pension benefit:

1. Determine the member's average weekly salary for twenty-six (26) weeks prior to the date of retirement.
2. Multiply the average weekly salary by fifty-two and two-tenths (52.2) weeks.
3. Multiply the annual figure derived in Step 2 by two and one-half percent (2 1/2%) per year for each year of service plus any portion of a year prorated based on completed whole month(s) of such service, up to a maximum of seventy-five percent (75%).
4. Divide this amount by twelve (12).

SECTION 4. Contributions. Each regular permanent member of the Police Department shall contribute the sum of eight percent (8%) of his/her base salary to the Police Benefit Fund. For the purposes of this contribution, the member's base salary shall not include any payments made for extra duty, overtime, longevity or for shifts premium. Upon termination of employment, or death, the member or his/her estate shall receive the amounts contributed by said member to the Police Benefit Fund, provided said member is not eligible for retirement at the time of death or termination of employment, and provided further, in the event of death, that the member's widow/widower or estate is not entitled to other benefits under the provisions of the Pension Plan. The member or his/her estate shall be entitled to the return of only those contributions which were made subsequent to July 1, 1971.

Employees shall make pension contributions for all years of pension credited service. When an officer has made contributions for the maximum years for which credited service is granted, he/she shall no longer contribute to the fund.

Employee pension contributions shall be made pursuant to Section 414(h) of the Internal Revenue Code, with pre-tax dollars to the maximum extent allowed by law.

SECTION 5. The years of service of a Police Officer as a supernumerary police officer shall not be counted as years of service for the purposes of the Pension Plan.

SECTION 6. The pension benefits herein shall not affect the benefits of those individuals who are currently receiving pension or survivor benefits from the City of Norwalk.

SECTION 7. Survivor Benefit. When any member of the permanent force of the Police Department shall be on or shall be eligible to be placed on the retired list pursuant to the provisions of this Article and the Pension Plan, and shall die while on or eligible to be placed on the retirement list, the Board of Police Commissioners shall direct an allowance out of the pension fund equal to the amount received by the member while on the retired list or to which he/she would have been entitled had he/she been placed on the retired list to be paid to the widow/widower or dependents of such member on a monthly basis.

SECTION 8. Section 1-322 of the Norwalk City Charter shall be of no force or effect as to members of this bargaining unit.

SECTION 9. Vesting. Any member of the Department who has been a contributing member for ten (10) years of service in the Pension Plan shall be entitled to become "vested" in the pension system. "Vested" for this purpose shall mean that should such employee resign from the Department, the employee may, at his/her option, leave the employee contributions in the pension plan and thereafter, upon reaching age forty-eight (48), may begin to draw a pension based on the number of years of creditable service at the time of resignation.

SECTION 10. In the event that there is a conflict between the terms of this Article and any provisions of the City's Charter, ordinance, rules, regulations or Special Acts, it is expressly understood and agreed that the terms of this Agreement shall prevail.

SECTION 11. If necessary to implement the provisions of this Article, the City agrees to take any steps which are appropriate or necessary to amend the document titled "City of Norwalk, Police Department Pension Plan" in order to place it in accord with this Article.

SECTION 12. It is expressly understood that all sections of the current Police Benefit Fund provisions as contained in the Norwalk City Charter (1970) which are not in conflict with this Article shall remain in full force and effect and without limiting the above it is specifically agreed that the provisions of Sections 1-319(1), (2), (3), (4), (7), 1-320, 1-321, 1-324, 1-328, 1-329, 1-330 and 1-332 of said Charter shall remain in full force and effect for the duration of this Agreement.

SECTION 13. Pension Adjustment. Any regular member of the Police Department who retires on or after July 1, 2006 shall have his/her pension increased annually by one and one-half percent (1½ %) commencing at age 55 to be applied upon each birthday of the retiree provided that the first such adjustment will be made only if the retiree has been retired for at least six (6) months. In the event of the retiree's death prior to the age of 55, the survivor's benefit shall be adjusted beginning on the date the retiree would have reached age 55.

SECTION 14. Military Service Purchase.

(a) All employees shall have the right to purchase up to two (2) years of credit toward retirement for active military service in the regular armed forces of the United States. An employee must decide within eighteen (18) months of his/her date of hire whether to purchase military service, or be foreclosed from purchasing such service in the future.

(b) Once an employee has decided to purchase military service credit, he/she shall contribute eight (8%) percent of his/her annual salary at the time of election for each year or portion thereof of military service credit purchased, to the maximum of two (2) years or twenty-four (24) months. The employee may make payment of the amount due in installments over a period of up to twenty-four (24) months.

(c) Only full-time active service in the regular armed forces of the United States may be purchased.

(d) The maximum amount of service credit which may be purchased is two (2) years or twenty-four (24) months. An employee may purchase any amount of service up to the maximum.

SECTION 15. Disability Retirement. Effective upon implementation of the 1994-98 contract, the following disability retirement provisions shall be in effect and shall replace the provisions for Veteran's Reserve and disability retirement in the Norwalk City Charter.

(a) **Service Connected Disability.**

An employee who is totally and permanently disabled as the result of a bodily injury or disease or mental impairment sustained in the performance of duties pertaining to his/her employment as a police officer for the City may retire and receive a disability retirement allowance prior to his/her normal retirement date. An employee's disability retirement date shall be the first day of the month subsequent to the date of determination that the employee is totally and permanently disabled. The procedures, requirements and benefits for disability retirement shall be as set forth herein.

1. **Application.** An application for disability retirement shall be submitted to the Police Commission. The application may be initiated by either the employee or the City. An application for disability retirement shall not be

considered complete until there has been a determination of disability as set forth in paragraph 3 herein.

2. Eligibility. An employee shall be eligible to receive a disability retirement allowance provided the employee meets the following conditions:

a. The employee is totally and permanently disabled as a result of a bodily injury or disease or mental impairment sustained in the performance of duties pertaining to his/her employment as a police officer for the City, but excluding disabilities resulting from:

(i) service in the armed forces of any country, for which a government disability pension is available;

(ii) alcoholism or addiction to narcotics;

(iii) the commission of a felony that results in a conviction, or a finding of guilt following a plea of nolo contendere, or the granting of an application for accelerated rehabilitation;

(iv) willful effort to cause injury or illness to himself/herself or another person;

(v) heart disease or hypertension, so long as the heart and hypertension act is not repealed by the legislature.

b. The disability precludes his/her performing the required duties of a member of the Norwalk Police Department.

3. Determination of Disability. The disability of an applicant for disability retirement shall be determined through examination by two medical examiners within the State of Connecticut who are Board Certified in the specialty related to the claimed disability. One (1) examiner shall be selected by the employee and one (1) shall be selected by the City. If these two examiners do not concur in the determination that the employee is disabled in accordance with the eligibility criteria set forth in paragraph 2 above, then a third examiner, who is Board Certified in the specialty related to the claimed disability, and who is acceptable to both parties shall be appointed, and the majority decision of the three shall be final and binding on both the City and the applicant. In the event that the parties cannot agree on a third examiner, either the applicant or the City may petition the Workers' Compensation Commissioner for the Seventh District to select the third.

4. Disability Retirement Allowance. The disability allowance payable in accordance with this Section shall be the greater of: fifty percent

(50%) of the employee's base salary at the time of disability or, if the employee is eligible for a normal retirement allowance, the amount of such normal retirement allowance calculated in accordance with Section 3 of this Article.

5. Annual Medical Examination.

a. The City may require a disability retiree to submit to an annual medical examination by an examiner, selected by the City, who is Board Certified in the specialty related to the retiree's disability.

b. If the disability retiree has moved a significant distance [sixty (60) miles or more] from the geographic boundaries of the City of Norwalk, the City shall either arrange to have the examination conducted by a physician in the geographic area reasonably proximate to the disability retiree's new residence, or may pay for the reasonable transportation and accommodations cost of the disability retiree to come to the City of Norwalk or its environs.

c. If the medical examination reveals that the disability has terminated, and the retiree disagrees with that determination, the retiree may submit report from another physician who is Board Certified in the specialty related to the retiree's disability, at the retiree's expense. If there is disagreement between the two examiners, the City shall select and pay for a third examination. The reports of all three examiners shall then be submitted to the City and the decision of the majority of the examiners shall be final and binding on the City and the retiree.

6. Discontinuation of Disability Retirement Allowance.

a. In the event that the City concludes that the disability for which the employee was granted a disability retirement no longer exists, the City may order the discontinuance of the disability retirement allowance. Such retiree may elect to take a non-disability pension, regardless of age or length of service in the Police Department. The non-disability pension shall be calculated in accordance with Section 3, based on credited service up to the date of disability retirement.

b. A decision to discontinue a disability retirement allowance shall be made based on examination of the retiree by two medical examiners within the State of Connecticut who are Board Certified in the specialty related to the claimed disability. One (1) examiner shall be selected by the employee and one (1) shall be selected by the City. If these two examiners do not concur in the determination that the employee is disabled in accordance with the eligibility criteria set forth in paragraph 2 above, then a third examiner, who is Board Certified in the specialty related to the

claimed disability, and who is acceptable to both parties shall be appointed, and the majority decision of the three shall be final and binding on both the City and the applicant. In the event that the parties cannot agree on a third examiner, either the applicant or the City may petition the Workers' Compensation Commissioner for the Seventh District to select the third.

(b) **Non-Service Connected Disability.**

An employee who has completed at least ten (10) year's of service as a police officer in the Norwalk Police Department shall be eligible for a non-service connected disability retirement provided the employee is totally and permanently disabled so that he/she is unable to engage in any gainful employment, which disability was not caused by the performance of duties pertaining to his/her employment as a police officer for the City and is not covered by the provisions of Conn. Gen. Stat. § 7-433a or § 7-433c.

1. **Application.** The application process shall be the same as set forth above for service connected disability retirement.

2. **Eligibility.** An employee shall be eligible to receive a non-service connected disability retirement allowance provided the employee meets the following conditions:

a. The employee is totally and permanently disabled as a result of a bodily injury or disease or mental impairment, which was not sustained in the performance of duties pertaining to his/her employment as a police officer for the City, and excluding disabilities resulting from:

(i) service in the armed forces of any country, for which a government disability pension is available;

(ii) alcoholism or addiction to narcotics;

(iii) the commission of a felony that results in a conviction, or a finding of guilt following a plea of nolo contendere, or the granting of an application for accelerated rehabilitation;

(iv) willful effort to cause injury or illness to himself/herself or another person;

(v) heart disease or hypertension, so long as the heart and hypertension act is not repealed by the legislature.

- b. The disability precludes his/her performing any gainful employment.
3. Determination of Disability. The procedure for determination of disability shall be the same as set forth above for service connected disability.
4. Disability Retirement Allowance. The disability allowance payable in accordance with this Section shall be the greater of: an allowance calculated at two and one half percent (2.5%) per year for each year of credited service with the Norwalk Police Department, on the final year's base annual salary at the time of disability; or, if the employee is eligible for a normal retirement allowance, the amount of such normal retirement allowance calculated in accordance with Section 3 of this Article.
5. Annual Medical Examination.
 - a. The City may require a disability retiree to submit to an annual medical examination by an examiner, selected by the City, who is Board Certified in the specialty related to the retiree's disability.
 - b. If the disability retiree has moved a significant distance [sixty (60) miles or more] from the geographic boundaries of the City of Norwalk, the City shall either arrange to have the examination conducted by a physician in the geographic area reasonably proximate to the disability retiree's new residence, or may pay for the reasonable transportation and accommodations cost of the disability retiree to come to the City of Norwalk or its environs.
 - c. If the medical examination reveals that the disability has terminated, and the retiree disagrees with that determination, the retiree may submit report from another physician who is Board Certified in the specialty related to the retiree's disability, at the retiree's expense. If there is disagreement between the two examiners, the City shall select and pay for a third examination. The reports of all three examiners shall then be submitted to the City and the decision of the majority of the examiners shall be final and binding on the City and the retiree.
6. Discontinuation of Disability Retirement Allowance.
 - a. In the event that the City concludes that the disability for which the employee was granted a disability retirement no longer exists, the City may order the discontinuance of the disability retirement allowance. Such retiree may elect to take a non-disability pension, regardless of age or length of service in the Police Department. The non-disability pension

shall be calculated in accordance with Section 3, based on credited service up to the date of disability retirement.

b. A decision to discontinue a disability retirement allowance shall be made based on examination of the retiree by two medical examiners within the State of Connecticut who are Board Certified in the specialty related to the claimed disability. One (1) examiner shall be selected by the employee and one (1) shall be selected by the City. If these two examiners do not concur in the determination that the employee is disabled in accordance with the eligibility criteria set forth in paragraph 2 above, then a third examiner, who is Board Certified in the specialty related to the claimed disability, and who is acceptable to both parties shall be appointed, and the majority decision of the three shall be final and binding on both the City and the applicant. In the event that the parties cannot agree on a third examiner, either the applicant or the City may petition the Workers' Compensation Commissioner for the Seventh District to select the third.

(c) **Offsets.**

1. All disability retirement allowances, whether service-connected or non-service connected, shall be reduced by any payments received under the workers' compensation statutes and the heart and hypertension statutes for which the City is liable. Said reduction will commence at the time when such payments are first received following the commencement of the retirement allowance. The amount of the workers' compensation or heart hypertension offset shall be such that the combined amount of the disability pension, workers' compensation benefits and/or heart and hypertension benefits shall not exceed one hundred (100) percent of the base salary at the present time or, if the employee was eligible for a normal retirement, the normal retirement allowance calculated in accordance with Section 3 of this Article.

2. All disability retirement allowances shall be reduced when the combination of pension, workers' compensation benefits and/or heart and hypertension benefits, and earnings from employment or self-employment exceed the salary in the current collective bargaining agreement applicable to employees holding the same rank or position held by the retiree at the time of retirement. The disability retirement allowance shall be reduced by the amount equal to the excess of said outside earnings over the amount of current salary applicable to employees in the same rank or position held by the retiree at the time of retirement.

3. Excluded from the term "earnings from employment or self employment" is passive income such as interest, dividends, capital gains, rent or

royalty income, alimony, and other sources of funds typically referred to as passive income.

4. Any disability or insurance plans or programs which are provided solely at the employee's expense and which are not provided for through payroll deduction, are specifically exempt from the phrase "earnings from employment or self-employment" and from this pension benefits integration provision.

5. With respect to the earnings offset, the disability retiree shall be required to provide to the City of Norwalk, by June 15th of each calendar year subsequent to the year in which he or she retires, a copy of his or her federal and state income tax returns together with an affidavit or verification attesting that the same are true and accurate copies of the returns filed. The City of Norwalk may also require said disability retiree to furnish a duly executed Internal Revenue Service and State of Connecticut authorization to secure copies of income returns.

6. The earning cap set forth in the preceding paragraph shall no longer apply when a disability retiree who was vested in the regular pension system attains the age of forty-eight (48) years. At that time, the retiree must file for a regular pension as described in this Article, and his/her disability pension shall automatically cease.

(d) Medical Benefits.

Any member of the bargaining unit who retires with a disability pension shall be eligible to continue participation in the medical plan under the same terms and conditions as set forth in Article 11, Section 2, of the collective bargaining agreement.

(e) Other Benefits.

Upon a disability retirement, the disabled police officer shall receive all contract benefits given to a regular retired police officer, e.g., sick leave, vacation and longevity.

SECTION 16. Deferred Retirement Option Plan (DROP).

(a) The Deferred Retirement Option Plan (hereinafter "DROP") is intended to provide an alternative retirement option to all current employees/members who are eligible to retire.

(b) The DROP Period is defined as the time after the member has elected the DROP, commencing on the date the first amount is credited to the DROP recordkeeping account within the Police Benefit Fund/Police Pension Plan through the date that the employee/member separates from City Service.

The DROP Period must begin on the first day of a calendar month and end on the last day of a calendar month.

(c) An employee/member, who is a member of the Police Pension Plan for full-time employees of the Police Department, upon completing twenty (20) years of service and reaching his/her forty-eighth (48th) birthday, may elect the DROP retirement option at anytime in lieu of other retirement options set forth under this agreement.

(d) Length of DROP: The DROP Period shall be one (1) to five (5) years in length. The minimum length of the DROP will be one (1) year and a maximum length of DROP will be five (5) years and shall be in increments of years.

(e) Employees/members may only elect to DROP on or before the commencement of their 32nd year of credited service and no DROP Period shall extend beyond thirty-two years of credited service (e.g., If employee/member has reached the end of 27 years of credited service, he/she may DROP for up to 5 years, namely, 28, 29, 30, 31, and 32; while an employee/member reaching the end of his/her 30th year of credited service may DROP for up to 2 years).

(f) Written Notice of Intent to DROP: Any employee/member with less than 30 years of credited service at the date of the execution of this agreement shall provide at least 90 days written notice to the City of his/her intention to elect the DROP Option. Said written notice shall include the necessary employee/member information, date to commence DROP, and the term/length of the elected DROP Period.

(g) Any employee/member electing the DROP will be considered retired only with respect to the calculation of the employee's/member's monthly pension benefit under the Pension Benefit Plan/Police Pension Plan on the date of the commencement of the DROP Period but will not be separated from City service. Notwithstanding any other provision within the Police Pension Plan or the Police Benefit Fund to the contrary, a member does not need to separate from City Service to qualify for Pension Benefits as long as that member has elected the DROP.

(h) While in the elected DROP Period, the employee/member shall remain in full City Service at his/her current rank/seniority, with all the terms, rights, conditions, and benefits of the Collective Bargaining Agreement (i.e. wage adjustments, earned sick leave, injury leave, uniform, allowances, medical, OT, extra duty, Union status, etc.) except as expressly limited herein.

(i) Employees/members shall not be eligible for promotions within the Police Department while in the elected DROP Period.

(j) Employees shall not be eligible for tuition reimbursement under Article 10, Section 9 or 10 of this Agreement while in the elected DROP period.

(k) Employees/members shall not begin to receive the Pension Adjustment (COLA) as set forth in this agreement until the DROP Period is completed.

(l) No further pension benefits will accrue after the DROP effective date (i.e. the monthly pension payment is locked in at the date that the member commenced the DROP Period).

(m) When a member elects the DROP, he/she shall be entitled to the benefits he/she would have received under the Normal Retirement provisions of the Police Pension Plan (during the DROP Period) with the following exceptions:

(1) Prior to implementation of this 2010-13 Agreement or issuance of an arbitration award in Case 2011-MBA-99, an employee who is participating in the DROP shall continue to have payments of his/her monthly pension amounts made to a separately designated DROP account established under a 401a Plan. Effective the first of the month following approval of this 2010 Agreement, the following shall apply to all DROP payments for both pre-existing and new DROP participants. During the DROP Period, the employee's/member's monthly pension amounts that would have been payable had the member elected to retire will be credited to the recordkeeping account of the member within the Police Benefit Fund/Police Pension Plan. Such amounts shall be credited with interest as follows: At the end of the DROP period, these funds, with interest accrued at the rate of the two-year average T-bill, adjusted annually, to a maximum of five percent (5%) per annum, on each year's balance shall be paid in a lump sum to the member. Payment shall be made within thirty (30) days of the member's separation from service.

(2) During the elected DROP period of up to thirty (30) years of credited service the monthly pension amount credited to the member will be 90% of the monthly pension payment the employee was entitled to receive had the member retired without electing the DROP. Thereafter, the monthly pension payment(s) credited to the member will be eighty-five percent (85%) of the monthly pension payment the employee was entitled to receive had the member retired without electing the DROP.

(n) During the elected DROP period, the employee/member will cease to make contributions to the Police Benefit Fund/Police Pension Plan.

(o) Any member who has commenced the DROP may not withdraw from the DROP option once the DROP Period begins unless:

(1) The employee/member separates from City service.

(2) The employee/member applies in writing to the Pension Board to seek permission to be released/withdrawn from their DROP

election for cause and the Retirement Board grants that request, which decision will be final.

(3) Upon the separation from the DROP, the commencement of Normal Pension benefits shall occur at 100%.

(p) Terminal and Other Leave Payouts and Carryover of Sick and Vacation:

(1) Prior to commencement of the DROP period, the City shall calculate the terminal leave payout for years of service and sick leave, as well as vacation and holiday pay, as if the member was retiring under the normal retirement provisions of the Plan. Prior to such calculation, the member may elect to withdraw up to fifteen (15) days from his/her accumulated sick leave and/or vacation leave and carry those days into the DROP period.

An employee/member may carry up to fifteen (15) days from his/her accumulated sick leave and/or vacation leave into the elected DROP Period and receive his/her terminal leave payout for the remainder of the accumulated sick and vacation leave. For example members with 135 accumulated sick days or more may carry 15 days into the DROP Period and receive the 60 day compensation payout set forth in Article 9, Section 1, while, for example, a member with an accumulated sick bank of 95 days (or any number less than 135 days) may carry up to 15 sick days into their elected DROP Period and receive compensation based on a calculation of $\frac{1}{2}$ of the 80 remaining days; and a member who has twenty vacation days may elect to carry 15 days into the DROP period and be paid for 5 days. Upon implementation of this 2010 Agreement, the previous side letter on advancing vacation for the first year of a DROP period shall be of no force and effect.

(2) For employees who enter the DROP, the City shall pay the amount due under the above calculation for the member's terminal leave and other payouts in equal annual installments over the member's DROP period. The first installment shall be paid at the start of the DROP period and additional installments shall be paid on anniversary dates of the employee's entry into the DROP. At the City's option, these payments may be accelerated.

(3) There shall be no further terminal leave payout or payment for holiday time at the completion of the DROP period.

(4) No accumulated sick leave or vacation leave shall be paid to the employee/member at the end of the DROP Period.

(q) Vacation/Holiday Time: Employees/members that elect to DROP shall accrue and receive vacation and holiday time as otherwise set forth in this Agreement during the DROP Period. No vacation or holiday time compensation shall be paid at the completion of the DROP Period.

(r) Upon the completion of the DROP period the employee/member will be considered a retired employee/member. The employee/member shall be entitled to a lump sum payment of one hundred percent (100%) of the DROP recordkeeping account balance within thirty (30) days of his/her separation from service. Upon completion of the DROP period, the employee shall commence receiving monthly pension benefits (i.e., 100% of his/her normal retirement benefits determined as of the DROP effective date).

(s) Members who elect the DROP shall participate in the medical and dental plans and contribute the same premium cost share as active employees/members during their elected DROP period. Upon the completion of the DROP Period, said employee/member shall be deemed to have retired and shall pay the premium cost applicable to a retiree.

(t) Employees/members that are in their elected DROP Period who sustain injury shall be entitled to all Workers Compensation Benefits as if an active employee/member. If the employee/member becomes disabled while in the DROP Period, said employee/member shall be entitled to receive a Disability Pension pursuant to this agreement and if received, their DROP option shall revert to a disability pension without penalty.

(u) Members who elect the DROP shall execute the following:

- ADEA waiver
- Notice of Election to participate in the DROP
- Application for participation in the DROP
- Resignation of Employment Letter upon completion of DROP
- Beneficiary designation