

RETIREMENT PLAN
for
PARAPROFESSIONAL EMPLOYEES
of
THE TOWN OF EAST HARTFORD BOARD OF EDUCATION
Amended and Restated July 2015

ID # 06-6001989
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**Retirement Plan
For Paraprofessional Employees
Of
The Town of East Hartford Board of Education**

PREAMBLE

WHEREAS, pursuant to a Memorandum of Agreement between the Town of East Hartford Board of Education and the East Hartford Federation of Paraprofessionals, CFEPE, AFT, AFL-CIO, the Town of East Hartford agreed to establish the Retirement Plan for Paraprofessional Employees of the Town of East Hartford Board of Education effective November 12, 2001. The original plan and all amendments were ratified by the Town Council and are incorporated into this restated plan.

WHEREAS, the Retirement Board, in accordance with its authority granted under the Ordinances of the Town of East Hartford, Connecticut and the Plan does hereby amended and restate the Plan in its entirety effective July 1, 2015 unless otherwise required by federal legislation or as set forth in the Plan.

NOW THEREFORE, the Plan, as amended and restated effective July 1, 2015, is hereby received by the Retirement Board, amending and restating the Retirement Plan for Paraprofessionals of the Town of East Hartford Board of Education. This Plan has been amended to comply with the following legislation. Tax Reform Act of 1986 (TRA '86), the Omnibus Budget Reconciliation Act of 1986 (OBRA '86), the Omnibus Reconciliation Act of 1987 (OBRA '87), the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), the Omnibus Budget Reconciliation Act of 1989 (OBRA '89), the Unemployment Compensation Act of 1992 (UCA '92), the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Small Business Job Protection Act of 1996 (SBJPA '96) the Taxpayer Relief Act of 1997 (TRA '97), the Heroes Earning Assistance and Relief Act (HEART), the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) and subsequent legislation.

Each provision in this revised document is deemed to be effective as of the effective date required by each respective and applicable law unless otherwise stated in the Plan. Unless otherwise stated herein, the rights of Employees who terminated service on or before June 30, 2015 shall be governed by the terms of the Plan and/or applicable collective bargaining agreement in effect at the time of termination of service.

This 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.

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ARTICLE I – DEFINITIONS

Section 1.01. Actuary.

The term “Actuary” shall mean a member of the American Academy of Actuaries, or an organization employing such a member, appointed and compensated by the Retirement Board to render actuarial and/or consulting services with respect to the Retirement System.

Section 1.02. Continuous Service.

- (a) The term “Continuous Service” shall mean uninterrupted employment as a Paraprofessional employed by the Town of East Hartford Board of Education. For purposes of both benefit accrual and vesting, Continuous Service prior to the effective date of this Plan shall be disregarded. Continuous Service with the Town of East Hartford Board of Education shall not be broken in the event of: (i) absence approved by the Board of Education, during any period not in excess of one year, except that the Board of Education may consent to extend the period of leave; or (ii) absence from work because of occupational injury or disease incurred as a result of employment with the Town of East Hartford Board of Education, for which absence an Employee shall be entitled to Workers’ Compensation payments.
- (b) An Employee shall not receive Credited Service in the case of the period of absence set forth in section 1.02(a), above, but shall retain Credited Service accrued prior to such absence. Upon return to employment after an approved absence, the Employee will again accrue Credited Service.
- (c) Non-Work Periods Credited. Except as provided in this Section 1.02(c), a Participant shall not receive Credited Service for periods of absence from employment during which he receives no compensation from the Town of East Hartford Board of Education and does not make Participant Contributions.
 - (1) Military Service. The Retirement Plan will grant Credited Service and years of vesting service in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) for a Participant who was an Employee immediately before the commencement of military service as defined in USERRA, provided such Participant returns to employment with the Town of East Hartford Board of Education within the “Required Period” of time set forth in paragraphs (2)(A) through (D) below. Credited Service shall only be granted if the Participant fulfills the requirements of paragraph Section 1.02(c)(3).
 - (2) Required Period. Under USERRA, the “Required Period” depends on the length of Military Service. In general, the Required Period is:
 - (A) one day after a Participant’s Military Service ends (if such service was less than 31 days);
 - (B) 14 days after a Participant’s Military Service ends (if such service was more than 30, but less than 181 days); and
 - (C) 90 days after a participant’s Military Service ends (if such service was more than 180 days).

- (D) If a Participant is hospitalized for or recovering from an illness or injury that was incurred or aggravated during Military Service, USERRA requires that such Participant register for reemployment with the Town of East Hartford Board of Education as soon as he has recovered. Except as otherwise provided by USERRA, this recovery period cannot exceed two years.
- (3) A Participant who enters the Armed Forces of the United States for a period of not more than five years (consecutive or individual years), is separated from active duty under conditions other than a dishonorable discharge, and returns to or makes himself available for work within the period specified in Section 1.02(c)(2)(A)-(D), shall be granted not to exceed one year of Credited Service for vesting purposes only in any one Calendar Year, up to a maximum of five years of Credited Service for vesting purposes, for such active duty in the Armed Forces.
- (4) A Participant returning from military service who meets the requirements of Section 1.02(c)(1)-(2) shall have the right to make up his Employee Contributions and thereby receive Credited Service for benefit accrual purposes equal to his period of military service, to a maximum of five years of Credited Service. Such Participant must notify the Retirement Board upon reemployment of his desire to repay his Employee Contributions. Such Contributions shall be made either in a lump sum payment or on a post-tax basis over a period equal to the lesser of (1) three times his military service or (2) five years. The amount of Employee Contributions owed to the Plan shall be equal to—
 - (A) the Employee contribution rate in effect immediately before the commencement of military service, multiplied by
 - (B) the Employee's earnings for the preceding 12- month period prior to his military service, multiplied by
 - (C) the number of years and months of military service, to a maximum of five years; plus
 - (D) compounded interest at the rate of four (4%) percent annually.
- (5) To the extent required by USERRA, a Participant must inform the Town of East Hartford Board of Education in writing before entering Military Service to be eligible for years of Credited Service for vesting purposes as described above.

Section 1.03. Credited Service.

The term "Credited Service" shall mean the number of full years of Continuous Service and fractions thereof to the nearest completed month with the Employer, beginning when an Employee becomes a Participant under the Retirement Plan as an Eligible Paraprofessional Employee. A Participant will not receive Credited Service for any period of employment prior to November 12, 2001 or for any period of service in which he/she is eligible but elects not to make the necessary Employee contribution as described in Article II.

Section 1.04. Effective Date.

The effective date of the Retirement Plan shall be July 1, 2015 through June 30, 2020.

Section 1.05. Employee.

The term “Employee” shall mean a Paraprofessional Employee in the service of the Board of Education of the Town of East Hartford hired prior to July 1, 2015, who works a minimum of 20 hours per week during the school year and who is not a Dispatcher, in the uniformed service of the Fire Department, the Police Department, the General Employees Pension Plan or covered by the Connecticut State Teachers’ Retirement System.

Section 1.06. Employer.

The term “Employer” shall mean the Board of Education of the Town of East Hartford.

Section 1.07. Final Average Salary.

The term “Final Average Salary” shall mean the Employee’s average annual wages during the highest thirty six (36) consecutive months of service based on the Plan Year, with the Employer prior to the date of retirement. Lump sum payments shall not be included in the calculation of Final Average Salary.

Section 1.08 Interest.

The term “Interest” shall mean interest compounded annually on the last day of the Plan Year at the rate as determined and adjusted from time to time by the Retirement Board.

Section 1.09. IRC or Code.

The term “IRC” or Code means the Internal Revenue Code of 1986, as it may be amended from time to time. Reference to a section of the Code shall include that section and any comparable section of any future legislation that amends, supplements or supersedes said section.

Section 1.10. Normal Retirement Age.

The term “Normal Retirement Age” shall mean the date upon which an Employee reaches his or her Normal Retirement Date as that term is defined in Section 5.01.

Section 1.11. Participant.

The term “Participant” shall mean an Employee who has satisfied the Eligibility requirements set forth in Article III.

Section 1.12. Pension or Pensions. The term “Pension or Pensions” shall mean a payment made to a Retired Employee or a Vested Employee according to the provisions of this Retirement System, other than a return of contributions with Interest.

Section 1.13. Plan Year.

The term “Plan Year” shall mean the 12 months from July 1st of any year to June 30th of the following year, both dates inclusive.

Section 1.14. Regular Compensation.

The term “Regular Compensation” shall mean the annual salary or wages earned by an Employee for services with the Town of East Hartford Board of Education, including overtime. It shall also include any deferred salary or deferred wages that are considered annual salary or pay/wages during the period used to determine Final Average Salary. Lump sum payments shall not be considered Regular Compensation and shall not be included in the calculation of Final Average Salary. Effective for Employees hired on or after July 1, 1996, the amount of pay, for purposes of this section shall be limited to a maximum of \$150,000 in a calendar year, or such other amount as prescribed by the Secretary of the Treasury pursuant to IRC §401(a)(17).

Section 1.15. Required Beginning Date.

The term “Required Beginning Date” shall mean the later of April 1 of the calendar year following the calendar year in which a Participant reaches age 70½ or terminates employment.

Section 1.16. Retired Employee.

The term “Retired Employee” shall mean a former Employee continuously employed by the Town of East Hartford Board of Education until the commencement of a Pension, who meets the requirements to receive a Normal Retirement Pension from the Town of East Hartford Board of Education and who is receiving a Pension provided for hereunder. A Vested Employee as defined in Section 1.21 below will not be considered a “Retired Employee.”

Section 1.17. Retirement Board.

- (a) **Membership.** The term “Retirement Board” shall mean the Board herein created for the administration of the Retirement System. The Board shall consist of five members, not more than three of whom shall belong to any one political party as follows: A member of the Town Council; the Town Treasurer; and three citizens of the Town of East Hartford, one of whom shall be a member of the Retirement System as selected by a coalition of the various bargaining groups of the Town of East Hartford.
- (b) **Appointment and Term.** All members, except the Town Treasurer, shall be appointed by the Mayor, with consent of the Town Council. The Town Treasurer and the member representing the Town Council shall be appointed for a term of two years; the other three members shall be appointed for terms of five years, and their respective successors shall be appointed for five-year terms, provided, the term of office of such member shall continue until his successor shall be appointed and shall have qualified.
- (c) **Vacancies.** In the event of a vacancy on said Board, such vacancy shall be filled in the same manner as the member so to be succeeded was appointed or elected. In no event shall any person remain a member of said Board, except during the time he continues to be a member of the Board or body from which he was appointed or elected.
- (d) **Compensation.** The members of the Retirement Board shall serve without compensation.
- (e) **Authority of Board.** The Board shall make bylaws and regulations that are consistent with the law; shall employ such actuarial, medical, clerical and other services as may be necessary for the proper operation of the Retirement System, and shall do all things

necessary and proper toward carrying out the purpose for which the Retirement system was created.

- (f) **Administrative Expenses.** The Board shall submit annually to the Town Council a schedule of its estimated expenses necessary for the administration of this Retirement System, and all such expenses of administration shall be paid by the Plan.
- (g) **Board is Trustee.** The Board shall be the Trustee of the funds herein created and shall have full control and management thereof, with power to invest and reinvest the same in accordance with the laws of the state governing the investment of trust funds.
- (h) **Authority to Enter into Group Annuity Contract.** The Retirement Board may enter into a group annuity contract with any insurance company authorized to transact business in the State of Connecticut to insure the entire Retirement Plan or such portion thereof as the Board shall deem advisable, provided any such contract, before actually being consummated, shall be approved by a two-thirds (2/3) vote of the Town Council.

Section 1.18 Retirement Fund.

The term “Retirement Fund” shall mean the fund derived from contributions made as herein provided for the payment of Pension benefits to Retired Employees under this Retirement System.

Section 1.19. Retirement System/Retirement Plan.

The term “Retirement System” or “Retirement Plan” shall mean the plan of retirement and other benefits for Paraprofessional Employees of the Town of East Hartford Board of Education as set forth in and by this document and all subsequent amendments thereto, and, as used herein, excludes the Retirement Plans for full-time active Employees of the Police and Fire Departments, Dispatchers and General Employees of the Town of East Hartford.

Section 1.20. Vested Employee.

The term “Vested Employee” shall mean any former Employee who terminates employment and who subsequently qualifies for a deferred vested Pension under Article VII, relating to termination of service.

Section 1.21. Vested Status.

The term “Vested Status” shall mean the attainment by the Employee of a nonforfeitable right to a pension benefit after completion of 10 years of Vesting Service earned after the effective date of the Plan.

Section 1.22 Year of Vesting Service.

The term “Year of Vesting Service” shall mean service after the effective date of the Plan as an Employee that qualifies him/her for a retirement pension under the Plan. Vesting Service shall be equal to years of Credited Service earned by the Employee, plus periods of non-service required to be credited for vesting purposes in accordance with the Uniformed Services Employment and Reemployment Rights Act and the Family and Medical Leave Act.

ARTICLE II – CONTRIBUTIONS

Section 2.01. Employee Contributions.

The rate of contribution to be made by a Participant in the Retirement Plan shall equal six percent (6%) of Regular Compensation. Such Employee contribution will cease to be contributed at the end of the Plan Year when the allowable maximum pension benefit amount is attained as defined in Section 4.02.

Section 2.02 Employer Contributions.

- (a) At least once every two years, the Retirement Board shall be required to have an Actuary perform an actuarial valuation of the assets and liabilities of the Retirement System and the amount of contributions from the Employer, in addition to the Employee Contribution, that will be necessary to adequately finance the benefits under the Retirement System.
- (b) On the basis of each valuation, the Town of East Hartford Board of Education shall pay the Retirement Board each year, an amount that will meet the actuarial cost of current service or normal cost and, until it is amortized, the unfunded accrued liability.
- (c) Any proposal that would change the benefits payable or Employee Contributions required under the Retirement System shall be accompanied by an estimate by the Actuary of the additional appropriations by the Town of East Hartford Board of Education that will be required to finance the additional normal cost and to amortize, on a level basis, the additional accrued liability over 30 years from the effective date of change.

Section 2.03 Employer Pick-Up Contributions.

Pursuant to §414(h)(2) of the Internal Revenue Code, the Town of East Hartford Board of Education shall pick-up and pay the contributions that otherwise would be payable by each Employee. The contributions so “picked-up” shall be treated as Employer contributions for purposes of determining the amounts of federal income taxes to withhold from each Participant’s Regular Compensation.

Employee Contributions picked-up by the Town of East Hartford Board of Education shall be paid from the same source of funds used for the payment of salaries to Employees. A deduction shall be made from each Employee’s Regular Compensation equal to the amount of the Employee Contributions picked up by the Town of East Hartford Board of Education, provided that such deduction shall not reduce the Employee’s Regular Compensation for purposes of computing benefits under this Plan.

ARTICLE III – ELIGIBILITY

Section 3.01. Eligibility for Participation

Each Eligible Employee shall become a Participant in the Plan effective upon the Employee’s date of hire. All Eligible employees shall participate in the Plan as a condition of employment with the Town of East Hartford Board of Education and shall make the mandatory Employee contributions.

A Paraprofessional Employee who enters the service of the Board of Education of the Town of East Hartford after June 30, 2015 will become a Participant of the Defined Contribution Plan and is not eligible to participate in this Defined Benefit Pension Plan.

ARTICLE IV – AMOUNT OF PENSION

Section 4.01. Normal Retirement Benefit.

Subject to the maximum and minimum limitations set forth herein, the Retirement Board shall pay each Employee who has retired according to the provisions of Article V, a Pension for life in an amount determined as follows.

Benefits at Normal Retirement shall equal 2.2% of the Employee's Final Average Salary multiplied by the number of years and full months of his or her Credited Service. One-twelfth (1/12) of this amount shall be paid monthly.

Section 4.02. Maximum Benefit.

- (a) Benefits with respect to a Participant may not exceed the limitations set forth in Article XI.
- (b) Notwithstanding the foregoing, the maximum yearly accrued Pension for an Employee who retires under this Retirement System shall not exceed 70% of such Employee's Final Average Salary.

Section 4.03. Deferred Vested Pension.

The amount of Pension to be provided for a terminated Employee who has met the vesting requirements of Section 7.01 shall be the amount of Pension accrued to the Employee's date of termination using Final Average Salary and Credited Service to such date. Such Pension shall be based on the Retirement System provisions in effect at the time the Employee terminated employment with the Board of Education.

Section 4.04 Minimum Distribution Requirements.

- (a) The payment of benefits to a Participant who is eligible for a Pension shall begin no later than the Required Beginning Date.
- (b) For purposes of this subsection, a Participant's Required Beginning Date shall be April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, whichever is later.
- (c) A Participant's entire interest in the Plan must be distributed over the life of the Participant or the lives of the Participant and a designated beneficiary, over a period not extending beyond the life expectancy of the participant or the life expectancy of the participant and designated beneficiary.
- (d) When a Participant dies after distribution of benefits has begun, the remaining portion of the Participant's interest shall be distributed at least as rapidly as under the method of distribution that was in effect prior to the Participant's death.

- (e) When a Participant dies before distribution of benefits has begun, the entire interest of the Participant shall be distributed within five years of the Participant's death. The five-year payment rule does not apply to any portion of the Participant's interest that is payable to a designated beneficiary over the life or life expectancy of the beneficiary and which begins within one year after the date of the Participant's death. The five-year payment rule does not apply to any portion of the Participant's interest that is payable to a surviving spouse over the life or life expectancy of the spouse which begins no later than the date the Participant would have reached age 70½.

ARTICLE V – RETIREMENT DATE

Section 5.01. Normal Retirement.

- (a) The Normal Retirement Date is the first day of the month named by the Employee on which the Employee satisfies the earlier of the following conditions:
 - (1) attainment of age 65 and completion of 10 Years of Credited Service;
 - (2) attainment of age 62 and completion of 25 Years of Credited Service; or
- (b) **Rule of 85.** An Employee will be eligible to retire and receive a Normal Retirement Pension, provided such Employee's combined attained age in whole completed years and Credited Service in whole years equals 85.

Section 5.02. Deferred Retirement.

Employee contributions will be required until the Employee's actual retirement date until such Employee reaches his maximum yearly pension amount. If an Employee works after his Normal Retirement Date, his Pension shall accrue to his actual retirement date, subject to the maximum yearly pension of 70% of his Final Average Salary.

Section 5.03. Timing of Pension Payments.

All Pension payments shall become due and payable on the last day of each calendar month, provided the initial Pension payment shall be computed as the pro rata of the amount of Pension corresponding to the fraction of the month elapsed since the effective date of retirement.

Section 5.04. Re-employment of Retired Employees.

If a Retired Employee is re-employed by the Town of East Hartford Board of Education, his Pension shall cease with the last payment due prior to his re-employment. Pension payments shall again become payable following subsequent termination of employment. During such reemployment, the Employee shall continue to accrue a benefit. Upon subsequent retirement, his pension shall be recalculated to take into account additional Credited Service and Compensation. In no event shall the recalculated pension be less than the original pension amount.

ARTICLE VI – PENSION PAYMENT OPTION

Section 6.01. Normal Form of Payment.

A Retired Employee's Pension is normally payable in the form of a monthly benefit for such Employee's lifetime, commencing on his actual retirement date and ceasing with the last payment due immediately preceding the Retired Employee's death.

ARTICLE VII – TERMINATION OF SERVICE

Section 7.01. Termination without Vested Rights.

An Employee who terminates employment before he has completed at least 10 years of Credited Service with the Board of Education on or after the effective date of the Plan shall lose his eligibility for Pension benefits and he shall receive his Employee Contributions with Interest up to his date of termination and shall lose his right to a pension benefit under the Plan.

Section 7.02. Termination with Vested Rights.

An Employee who meets the eligibility requirements described for a Retirement Pension and who does not elect to receive his Employee Contributions with Interest, may elect to receive a Pension on his Normal Retirement Date equal to the applicable amount determined pursuant to Article IV. The Beneficiary of a terminated Vested Employee who dies before or after retirement may receive a Death Benefit, if any, as determined in Sections 8.01 and 8.02.

ARTICLE VIII – DEATH BENEFITS

Section 8.01 Before Retirement.

Upon the death of an Employee before his Retirement Date, the Employee's named beneficiary shall receive a Death Benefit equal to the Employee's Contributions with Interest. If there is no named beneficiary, such Death Benefit shall be paid to the estate of the deceased Employee.

Section 8.02. After Retirement.

Upon the death of a Retired Employee his named beneficiary shall receive a Death Benefit equal to such deceased Employee's Contributions with Interest less any Pension benefits received by the Employee prior to his death. If there is no named beneficiary, any such Death Benefits shall be paid to the estate of the deceased Employee.

Section 8.03. Beneficiaries.

- (a) An Employee may name a beneficiary to receive the Death Benefit due on or after his death by written request filed with the Town of East Hartford Board of Education. With the consent of the Town of East Hartford Board of Education, he may name two (2) or more co-beneficiaries or successor beneficiaries. If an Employee names two (2) or more persons as beneficiaries, such persons or their survivors shall be considered co-beneficiaries unless he provides otherwise.

- (b) An Employee may change any named beneficiary from time to time by written request filed with the Town of East Hartford Board of Education. The consent of his beneficiary is not required to any naming or changing thereof. Such request is effective when the Employee signs the written request, whether or not he is living at the time the request is received by the Town of East Hartford Board of Education, but without prejudice for any payments made before receipt of the request.

ARTICLE IX – AMENDMENT AND TERMINATION

Section 9.01. Amendment.

- (a) This Retirement Plan is established and maintained for the exclusive benefit of the Paraprofessional Employees of the Board of Education. Subject to this limitation, the Town of East Hartford reserves the power at any time or times to amend provision of this Retirement Plan if, with respect to payments resulting from Pensions provided before the effective date of the amendment, the amendment does not reduce the amount of any payment or the term of monthly payments, or delay the due date of any payment.
- (b) Any provision of this Retirement Plan may be amended in any respect, without regard to the above limitation, if the amendment is required for qualification or continued qualification of the Retirement Plan under income tax law, or is necessary for this Retirement Plan to meet the requirements of any other applicable law.
- (c) Neither the consent of the Employee nor that of any other payee is required for any amendment to the Retirement Plan made as provided above.

Section 9.02. Termination.

If this Retirement Plan is terminated, the accrued benefit of each Employee in the Retirement Plan shall immediately become 100% vested and nonforfeitable, to the extent that such benefit is funded, in accordance with the requirements imposed by the Internal Revenue Code. In the event of a partial termination, the requirements of this provision shall be applied to the terminated portion of the Plan.

Section 9.03. Distributions Upon Plan Termination.

Upon termination of the Retirement Plan by the Employer, the Retirement Board shall distribute to each Employee (or other person entitled to distribution) the value of the Employee's accrued benefits in accordance with the terms of this Retirement Plan and with applicable law.

ARTICLE X – ADMINISTRATION OF PLAN

Section 10.01. Annual Report.

The Retirement Board shall, on or before March 31st of each year, file with the Town Council an annual report showing the financial condition of the Retirement System as of the end of the last completed fiscal year, including an actuarial valuation of assets and liabilities, and setting forth

such other facts, recommendations and data as may be of value to the Retirement System of the Town of East Hartford.

Section 10.02. Interpretation of Misunderstanding or Ambiguity.

If any misunderstanding or ambiguity arises concerning the meaning of any of the provisions of the Retirement System, the Retirement Board shall have sole right to construe such provisions, and the Retirement Board's decision shall be final. The Retirement Board may establish such rules and regulations supplementing the Retirement System as it considers desirable.

Section 10.03. Finding of Facts.

The Retirement Board's findings of facts on matters relating to an Employee's employment record are binding for purposes of the Retirement System. Participation in the System shall confer no right upon any Employee to continued Town or Board of Education employment.

Section 10.04. Furnishing Information and Proof.

All persons shall promptly furnish information and proof to the Retirement Board as to any all facts which the Retirement Board reasonably may require concerning any person affected by the terms of the Retirement System (including date of birth and satisfactory proof, by personal endorsement on the pension checks or otherwise, of the survival of any payee to the due date of any pension payment).

Section 10.05. Information Required from Terminated Vested Employees.

An Employee who has terminated service with the Town of East Hartford Board of Education, and who has met the vesting requirements of Article VII, shall inform the Retirement Board of any change of address. Such Employees must inform the Retirement Board of his or her desire to retire and must make an appropriate application. All notices to any person from the Retirement Board shall be sent to the last address of such person that the Retirement Board has on record, and the Retirement Board has no further obligation to such person in the event of any such communication, sent by registered or certified mail, is not received by such person.

Section 10.06. False Statement.

If any fact relating to an Employee or any other payee has been misstated, the correct fact may be used to determine the amount of Pension payable to him or her. If overpayments or underpayments have been made due to an incorrect statement, the amount of any future payments may be appropriately adjusted.

Section 10.07 Return of Town Contributions Under Special Circumstances

Any Town of East Hartford Board of Education contributions made under mistake of fact or law may be returned to the Town of East Hartford Board of Education within one year following the date the Town of East Hartford Board of Education made such contribution.

ARTICLE XI—MAXIMUM BENEFIT LIMITATION

Section 11.01. In General.

This Retirement Plan shall follow the requirements of IRC §415 as applicable to government plans within the meaning of IRC §414(d).

Section 11.02. Annual Benefit.

The Annual Benefit of a Participant hereunder (adjusted to an Actuarially Equivalent straight life annuity as defined in Section 12.05(d)) shall not at any time within the Limitation Year exceed \$90,000, as that amount shall be adjusted from time to time.

Section 11.03. Adjustment for Less than 10 Years of Participation.

- (a) In the case of a Participant who has less than 10 years of participation in this Plan, the \$90,000 limitation set forth in Section 11.02 shall be multiplied by a fraction, the numerator of which is years of participation in this Plan and the denominator of which is 10. This shall also apply to the Compensation limitation in Section 11.02 except that the numerator shall be years of service with the Town of East Hartford Board of Education rather than years of participation in this Plan.
- (b) The limitations of section 11.03(a), above, however, do not apply if the Pension amounts do not exceed \$10,000 for the current or prior Plan Year and the Participant has not been covered at any time by a defined contribution plan to which the Town of East Hartford Board of Education contributed on his or her behalf.

Section 11.04. Maximum Benefit Limitation Definitions.

For purposes of this Article XI, the following definitions shall apply:

- (a) “Pension” shall mean an annual benefit payable at Normal Retirement Age as a straight life annuity with no ancillary benefits or an annuity payable in a joint and survivor payment form where the Participant’s spouse is the Joint Pensioner. A benefit payable in any other form shall be converted to the actuarial equivalent of a straight life annuity, for purposes of applying these limits, based on a five percent (5%) interest assumption. Other required adjustments are provided for below.
- (b) “Compensation” shall mean all earnings reported on W-2 forms completed by the Town of East Hartford Board of Education in respect to the Plan Year specified. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1997, an Employee’s Compensation shall include any elective deferral (as defined under Code §402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which, by reason of Code §§125 or 457, is not included in the gross income of the Employee. For Plan Years beginning on or after July 1, 2001, for purposes of applying the limitations under Section 415 of the Code, Compensation paid or made available during such Plan Year shall include elective amounts that are not included in the income of the Employee by reason of Section 132(f)(4) of the Code.
- (c) “Annual Benefit” shall mean the benefit to which the Participant would be entitled to at his or her Normal Retirement Date assuming he or she continues employment until such

date and that all other relevant facts used to determine benefits under the Plan remain constant as of the current Limitation Year for all future Limitation Years.

- (d) The term “Limitation Year” shall mean a Plan Year.
- (e) The term “Qualified Participant” shall mean that term as defined in Section 11.05, below.

Section 11.05 Adjustment for Early or Late Commencement of Benefits.

- (a) **In General.** If the annual pension benefit of a Participant begins before age 62, as described in IRC §415(b)(8) the \$90,000 limitation set forth in Section 11.02, above shall be reduced so that it is equivalent to such a benefit beginning at age 62. The reduction of this paragraph shall not reduce the limitation of Section 11.05(a), below—
 - (1) \$75,000 if the benefit begins at or after age 55, or
 - (2) if the benefit begins before age 55, the equivalent of the \$75,000 limitation for age 55.
- (b) **Benefits Beginning after Age 65.** If the annual pension benefit of a Participant begins after age 65, the \$90,000 limitation set forth in 11.02 above shall be increased so that it is equivalent to such a benefit beginning at age 65.
- (c) **Actuarial Equivalence.** Actuarial Equivalence under this Section 11.05 shall be determined using a five percent (5%) interest assumption, and the term “\$90,000” shall include any higher amounts prescribed pursuant to the Internal Revenue Code for purposes of these limitations.
- (d) In the case of disability or survivor benefits provided under the Plan, the limitations of Section 11.03(a) and 11.05(a) shall not apply to:
 - (1) income received from the Plan as a pension, annuity, or similar Pension as the result of the recipient becoming disabled by reason of personal injuries or sickness, or
 - (2) amounts received from a governmental plan by the beneficiaries, survivors or the estate of an Employee as the result of the death of the Employee.

Section 11.06 Combined Plan Limits.

If a Participant also participates in another defined benefit plan of the Town of East Hartford Board of Education obligated to contribute under this Plan, and such Plan is a qualified plan under IRC §401(a), such plan shall be combined with this Plan in accordance with Treas. Reg. §1.415-8(e) for purposes of determining compliance with the limitations of IRC §415(b).

Section 11.07 Protection of Prior Benefits.

For any year before 1986, the limitations prescribed by IRC §415 as in effect before enactment of the Tax Reform Act of 1986 and all subsequent legislation shall apply, and no Pension earned under this Retirement Plan prior to 1986 shall be reduced on account of the provisions of Sections 11.03 through 11.08 if it would have satisfied those limitations under that prior law.

Section 11.08 Application of Maximum Limitations.

- (a) The benefit paid under this Retirement Plan shall not exceed the limitations set forth in Section 11.02.
- (b) If a Participant on his or her annuity starting date is not eligible for full monthly benefits under this Retirement Plan because of the operation of Section 11.02, the monthly benefit thereafter shall be recalculated annually until the Participant is receiving a full monthly benefit under the Retirement Plan's terms without the operation of this Section 11.08. Each such recalculation shall be based on this Section 11.08 with any applicable adjustment to reflect cost of living increases as permitted by the Treasury Regulations.

ARTICLE XII – GENERAL PROVISIONS

Section 12.01. Exclusive Benefit.

This Retirement System is established and maintained for the exclusive benefit of the Paraprofessional Employees of the Town of East Hartford Board of Education and their beneficiaries and is administered for the exclusive purpose of providing retirement and retirement-type benefits for such individuals. Except as otherwise specifically provided herein, no portion of the assets of this Plan may be used for any purpose other than the payment of benefits hereunder and the defraying of reasonable administrative costs. At no point may the Town of East Hartford Board of Education obtain a reversion of all or any part of the assets of this Plan unless this Plan has been properly terminated under the Internal Revenue Code and all liabilities to Participants and their beneficiaries have been satisfied.

Section 12.02. Gender and Number.

Whenever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender, unless the context clearly indicates otherwise, and whenever used herein, a pronoun in the singular form shall be considered as being in the plural form, unless the context clearly indicates otherwise.

Section 12.03. Forfeitures.

No forfeitures shall be applied to increase the benefits any Employee would otherwise receive under this Plan.

Section 12.04. Applications for Pensions.

An application for a Pension must be made in writing on a form and in the manner prescribed by the Retirement Board and shall be filed with the Retirement Board at least two (2) months in advance of the final month for which benefits are payable.

Section 12.05. Payment of Actuarial Equivalent Amount.

A single sum payment in an actuarial equivalent amount may be made in lieu of monthly payments if the amount of each monthly Pension payment would be less than twenty dollars (\$20).

Section 12.06. Non-Assignment.

No payee may sell, assign, discount, or pledge as collateral for a loan or as a security for the performance of an obligation, or for any other purpose, any payment due to him. If the payee for any payment is a minor or incompetent person, payment may be made to the person, or persons caring for or supporting such payee, in full discharge of all obligations, as determined by the Retirement Board.

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 qualified domestic relations order as defined in Section 414(p) of the Code that is approved by the Retirement Board in accordance with the provisions of the Plan and the policies and procedures of the Retirement Board.

Section 12.07. Proof of Living Payee.

There shall be no obligations to make any payment hereunder unless the payer has received proof that the payee was living on the due date of the payments. If such proof is not received within five (5) years after the date of the payment, and if no proof of the death of the payee is received during each five (5) year period, the obligations of the payer as to the payment and as to the Pension payments, if any, from which the payments results will be the same as if the payee had died immediately before the due date of the payment.

Section 12.08. Post- Retirement Medical Benefits.

Employees eligible to retire from the DB plan will be offered a Medicare Supplement provided the retiree pays 15% of the cost for herself/himself and 100% of a spouse. DC employees are not eligible for any post-employment medical benefits from the Town.

ARTICLE XIII ROLLOVER PROVISIONS

Section 13.1 Direct Rollovers

Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Retirement Board 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 Retirement Board of the change in the form and manner prescribed by the Retirement Board.

- (c) Within a reasonable period of time before an Eligible Rollover Distribution is to be made, the Retirement Board shall provide to the Distributee an explanation of the right to elect a Direct Rollover and the federal tax withholding consequences of failing to elect a Direct Rollover. A Distributee who elects a Direct Rollover must provide all information that the Retirement Board may require to complete the Direct Rollover.
- (d) For the purposes of this Section, the following definitions shall apply:
 - (1) 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 (of the life expectancy) of the Distributee or the joint lives (of joint life expectancies) of the Distributee and the Distributee’s designated beneficiary, or for a specific period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the 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).
 - (2) A distribution of less than \$200 that would otherwise be an Eligible Rollover Distribution within the meaning of paragraph (d-1) 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.
 - (3) An “Eligible Retirement Plan” is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee’s Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.
 - (4) “Distributee” includes a Town 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 Code, are Distributees with regard to the interest of the spouse or former spouse.
 - (5) A “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

Section 13.2 Rollovers to the Plan

In no event shall the Plan accept Eligible Rollovers from any source unless a reemployed Employee is making a repayment of his Employee Contributions.

IN WITNESS WHEREOF, the Town of East Hartford Board of Education hereby adopts this amended and restated Plan as of July 1, 2015.

TOWN OF EAST HARTFORD

By _____
Name:
Title: