

1 SB524  
2 138538-3  
3 By Senator Marsh (N & P)  
4 RFD: Local Legislation No. 1  
5 First Read: 17-APR-12



SB524

With Notice and Proof

ENROLLED, An Act,

Relating to the City of Anniston in Calhoun County;  
to repeal and reenact Act 608, 1951 Regular Session (Acts  
1951, p. 1045), as reenacted, now appearing as Section  
45-8A-22.60 to Section 45-8A-22.96, inclusive, of the Code of  
Alabama 1975, that established a retirement plan for police  
officers and firefighters in the City of Anniston; to provide  
for the board and the operation of the board; and to provide  
for the administration and operation of the City of Anniston  
Police and Firefighters Retirement Plan and for the payment of  
benefits to participants and their dependents and  
beneficiaries.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Applicability, The Trust and the  
Retirement Board.

(a) This act shall apply only to the City of  
Anniston.

(b) Act 608 of the 1951 Regular Session (Acts 1951,  
p. 1045), as last repealed and reenacted by Act 2002-298 and  
Act 2002-304 of the 2002 Regular Session (Acts 2002, p. 815),



now appearing as Section 45-8A-22.60 to Section 45-8A-22.96,  
is repealed and reenacted as provided herein.

(c) In connection with the regularly organized and paid police and fire departments of the City of Anniston, a City of Anniston Police and Firefighters Retirement Trust (the "trust"), for the persons hereafter named, shall be funded and maintained in the manner hereinafter provided. In connection with the trust, the retirement board (the "retirement board") shall be responsible for the general administration and proper operation of the City of Anniston Police and Firefighters Retirement Plan (the "plan").

Section 2. Retirement Board Membership;  
Secretary-Treasurer.

(a) Retirement Board.

(1) The retirement board shall be composed of five members:

a. One member shall be elected by the retirees and surviving spouses of retirees of the plan,

b. One member shall be a member of the City of Anniston Fire Department ("fire department") elected by the members of the fire department,

c. One member shall be a member of the City of Anniston Police Department ("police department") elected by the members of the police department,



d. One member shall be the City of Anniston Finance Director, and

e. One member shall be appointed by the City Council of the City of Anniston and such member shall be a qualified elector in the City of Anniston and shall not be an individual who is a member or the spouse, child, parent, sibling, or in-law of a member currently represented on the retirement board.

(2) The member elected by the retirees and surviving spouses of retirees of the plan, the member elected by the members of the fire department, and the member elected by the members of the police department each shall serve for a term of three years, and such terms shall be staggered such that the terms of the members do not expire simultaneously. Any vacancy on the retirement board shall be filled for the unexpired term in the same manner that the position was previously filled. A member of the retirement board may resign by delivering a written resignation to the retirement board.

(3) The members of the retirement board shall elect one of their members as chair (the "chair").

(4) Three members of the retirement board shall constitute a quorum for the transaction of all business.

(5) Three votes shall be necessary for a decision by the retirement board; provided, however, four votes shall be necessary for:



1           a. a decision by the retirement board that  
2 materially affects the terms of the plan or materially affects  
3 the benefits offered hereunder, or

4           b. a decision by the retirement board made pursuant  
5 to Section 10(b), Section 14(d), Section 17(a)(2)b., or  
6 Section 20(a)(2)c.

7           (6) The members of the retirement board shall serve  
8 without compensation.

9           (7) The actual and reasonable cost incurred by  
10 members of the retirement board for travel, meals, gratuities,  
11 lodging, and registration fees for any seminars or programs  
12 attended by the members provided, however, that the retirement  
13 board shall approve in advance the retirement board member's  
14 participation in any seminar or program as being related to  
15 the retirement board member's performance of his or her duties  
16 under the plan in the management of the plan. Within 30 days  
17 of the retirement board member attending such seminar or  
18 program, receipts for such authorized expenses shall be  
19 submitted to the secretary-treasurer and must be approved by  
20 the retirement board. If the expenditures, or any portion  
21 thereof, are not approved by the retirement board, the member  
22 shall not be reimbursed for the expenditures, or if he or she  
23 has been advanced such funds, he or she shall immediately  
24 repay the funds to the secretary-treasurer. Such expenses



1 described herein shall be limited to three thousand dollars  
2 (\$3,000) per retirement board member each calendar year.

3 (b) Secretary-Treasurer. The City of Anniston clerk  
4 shall serve as the secretary and the treasurer (the  
5 "secretary-treasurer") to the retirement board. The  
6 secretary-treasurer shall receive as compensation for his or  
7 her services an amount to be fixed from time to time by the  
8 retirement board which is to be paid on the first day of each  
9 month by a warrant drawn upon the trust as other warrants are  
10 drawn upon the trust. The secretary-treasurer shall be  
11 responsible for maintaining the records of all monies  
12 belonging to the trust and evidence of all securities and  
13 other things of value belonging to the trust. He or she,  
14 before taking office as secretary-treasurer, shall make bond,  
15 in an amount to be fixed from time to time by the retirement  
16 board and approved by the chair, with a surety company  
17 authorized to do business in the State of Alabama for the  
18 faithful performance of his or her official duties and for the  
19 faithful accounting for all monies, securities, and other  
20 things of value which may come into his or her possession  
21 relating to the trust. The premiums on the bond shall be paid  
22 out of the trust. He or she shall keep the monies of the trust  
23 in a separate account or accounts that shall show at all times  
24 the true condition of the trust. Upon his or her resignation  
25 or removal from office, the secretary-treasurer shall



1       surrender and deliver to his or her successor all bonds,  
2       securities, unexpended monies, properties, and assets which  
3       are in his or her hands relating to the trust. The  
4       secretary-treasurer shall keep a full and complete record of  
5       all proceedings of the retirement board and perform such other  
6       duties as may be imposed upon him or her by the retirement  
7       board. He or she shall keep a record of the terms of office of  
8       each member of the retirement board and shall notify the  
9       electing body or bodies not less than 30 days nor more than 60  
10      days prior to the date that an election of a member or members  
11      should be held.

12               Section 3. Powers and Duties of the Retirement  
13      Board.

14               (a) The retirement board shall be responsible for  
15      the general administration and proper operation of the plan  
16      and shall administer the plan for the exclusive benefit of  
17      participants and their beneficiaries, subject to the terms of  
18      the plan. The retirement board shall administer the plan in  
19      accordance with its terms and shall have the power and  
20      discretion to construe the terms of the plan and this act and  
21      to determine all questions arising in connection with the  
22      administration, interpretation, and application of the plan.  
23      Any such determination by the retirement board shall be  
24      conclusive and binding upon all persons.



1           (1) The retirement board shall have all powers  
2 necessary or appropriate to accomplish the retirement board's  
3 duties under the plan, including, but not limited to, the  
4 following:

5           a. To determine all questions relating to the  
6 eligibility of a sworn police officer or a sworn firefighter  
7 of the City of Anniston to participate or remain a participant  
8 hereunder and to receive benefits under the plan;

9           b. To hear and, except as otherwise provided herein,  
10 make final decisions regarding all applications for benefits  
11 under the plan;

12           c. To compute and certify the amount and the kind of  
13 benefits to which any participant shall be entitled hereunder;

14           d. To maintain all necessary records for the  
15 administration of the plan;

16           e. To establish rules and regulations for the  
17 administration of the plan and the trust as are consistent  
18 with this act and the terms hereof;

19           f. To exercise any investment discretion in a manner  
20 designed to accomplish specific objectives related to the  
21 plan's long-term and short-term liquidity needs;

22           g. To, by written agreement or designation, appoint  
23 at its option an investment manager, qualified under the  
24 Investment Company Act of 1940, as amended, investment  
25 adviser, or other agent to provide direction regarding any or



1 all plan assets. Such appointment shall specifically identify  
2 the plan assets with respect to which the investment manager  
3 or other agent shall have authority to direct the investment;

4 h. To establish an investment policy; and

5 i. To hold meetings at least once per calendar  
6 quarter or upon the call of the chair.

7 (2) Failure of the retirement board to follow any  
8 provisions or procedures in the plan shall not constitute a  
9 waiver of any provision or procedure contained herein.

10 (b) The retirement board may allocate  
11 responsibilities among its members and may delegate  
12 responsibilities to authorized third parties. The retirement  
13 board may appoint counsel, specialists, advisers, agents,  
14 including non-fiduciary agents, and other persons as the  
15 retirement board deems necessary or desirable in connection  
16 with its administration of the plan, including, but not  
17 limited to, agents and advisers to assist with the  
18 administration and management of the plan, and thereby to  
19 provide, among such other duties as the retirement board may  
20 appoint, assistance with maintaining plan records and the  
21 providing of investment information to the plan's investment  
22 fiduciaries.

23 (c) In addition to the general powers and  
24 responsibilities otherwise provided for in the plan, the  
25 retirement board shall be empowered to appoint and remove the



1 trustee from time to time as it deems necessary for the proper  
2 administration of the plan to ensure that the plan is being  
3 operated for the exclusive benefit of the participants and  
4 their beneficiaries in accordance with the terms of the plan,  
5 this act, and the Internal Revenue Code.

6 Section 4. Trustee; Pensions and Benefits.

7 (a) The retirement board or the person or entity  
8 appointed by the retirement board and named as trustee in any  
9 separate trust forming a part of the plan shall serve as the  
10 trustee of the trust (the "trustee"). It may adopt and enforce  
11 necessary rules and regulations to carry out the purposes of  
12 the plan and enable it to properly manage and administer the  
13 trust, including employing investment counselors and agents to  
14 invest and manage portions of the trust, as the retirement  
15 board may direct.

16 (b) When the actuary certifies that the necessary  
17 funds are available, the retirement board, in accordance with  
18 Section 2, may increase the benefits provided for retirees by  
19 passing a written board resolution which declares that the  
20 monthly benefit paid to each retiree, surviving spouse, or  
21 other beneficiary of the retiree shall be increased by a flat  
22 dollar amount per month, increased by a flat dollar amount per  
23 year of active service per month, or increased to a minimum  
24 monthly amount. Additionally, the retirement board may pass a



1 written board resolution to issue thirteenth checks, i.e., an  
2 additional payment each year equal to one month's benefits.

3 Section 5. Investment of the Trust for Revenue  
4 Purposes.

5 (a) The retirement board and any investment manager  
6 it appoints is authorized to invest and reinvest the funds of  
7 the trust in all classes and forms of bonds, mortgages, common  
8 and preferred stocks, shares of investment companies or mutual  
9 funds, or any other investment. The retirement board is  
10 further authorized to hold, purchase, sell, assign, transfer,  
11 and dispose of any investment in which the funds of the trust  
12 previously have been invested as well as the proceeds thereof.

13 (b) No participant or employee of the City of  
14 Anniston shall have any direct interest in the gains or  
15 profits of any investment made by the retirement board nor  
16 shall any participant or employee of the City of Anniston  
17 become an endorser or surety or act in any manner as an  
18 obligor for monies loaned to or borrowed from the retirement  
19 board.

20 Section 6. Reports.

21 On a regular basis, but not less than annually, the  
22 retirement board shall provide a report to the City Council of  
23 the City of Anniston regarding the condition of the trust and  
24 shall cause such report to be published each year in a



1 newspaper of general circulation published in the City of  
2 Anniston.

3 Section 7. List of Retired Police and Firefighters.

4 There shall be kept by the secretary-treasurer a  
5 book to be known as the List of Retired Police and  
6 Firefighters. The book shall give a full and complete history  
7 and record of the action of the retirement board in retiring  
8 any and all persons under the plan, including, but not limited  
9 to, each name, the date of entering service of the fire  
10 department or the police department, the date of retirement or  
11 other separation, and the reason for the retirement or  
12 separation.

13 Section 8. Retirement Board's Attorney.

14 The retirement board shall be authorized to employ  
15 the services of such attorney as it deems appropriate to  
16 represent the interests of the plan and to pay as compensation  
17 for such attorney's services an amount to be approved by the  
18 retirement board. It shall be the duty of the retirement  
19 board's attorney to give such advice to the retirement board  
20 in all matters pertaining to the duties of the retirement  
21 board and the management of the trust whenever he or she is  
22 requested to do so; and the retirement board shall be  
23 authorized to hire the services of an attorney to represent  
24 and defend the retirement board as it deems necessary or  
25 appropriate in any actions that may be brought against it.



Section 9. Reasonable and Necessary Expenses.

The retirement board shall be authorized to pay out of the trust all benefits, expenses of administration, including the cost of advertising amendatory or supplementary legislation related to the plan, and other expenses arising hereunder, unless otherwise paid by the City of Anniston. Such expenses shall include expenses incident to the functioning of the retirement board, or any person or persons retained or appointed by any fiduciary incident to the exercise of their duties under the plan, including, but not limited to, fees of actuaries, accountants, attorneys, investment managers, and other specialists and their agents, and other costs of administering the plan. Until paid, the expenses shall constitute a liability of the trust.

Section 10. Contributions to the Trust.

(a) The secretary-treasurer shall receive contributions to the trust that shall consist of the following:

(1) All of the money, securities, things of value, and assets belonging to any similar fund now being maintained by the City of Anniston.

(2) All money or properties that may be given or donated by any person, firm, association, or corporation for the uses and purposes for which the trust is created, and the retirement board may take by gift, grant, devise, or bequest,



any money, personal property or real estate, or any interest therein or any right of property for the benefit of the trust.

(3) Participant Contributions.

a. Employee Contributions. Effective prior to October 1, 2002, 10 percent of each participant's monthly compensation, including overtime and any other pay, which shall be deducted from such compensation and paid to the secretary-treasurer on or before the tenth day each month next succeeding the month in which such compensation is earned.

b. Pick-Up Contributions.

1. City of Anniston Contributions on Behalf of Participants.

(i) Effective October 1, 2002, in lieu of employee contributions, the City of Anniston shall contribute on behalf of each participant an amount equal to 10 percent of the participant's compensation, such payment being sometimes hereinafter referred to as "pick-up contributions" in accordance with Internal Revenue Code Section 414(h)(2).

(ii) Effective on and after October 1, 2012, the City of Anniston shall contribute on behalf of each participant a pick-up contribution equal to 14 percent of the participant's compensation each payroll period.

2. The employee's compensation shall be reduced by the amount of the pick-up contribution, but the pick-up contribution shall not reduce the amount of his or her



1 compensation for purposes of determining benefits hereunder.  
2 No employee shall have the option to opt-out of the pick-up  
3 contribution or to receive the pick-up contribution as  
4 described in subsection (a)(3)b. of this section, directly  
5 instead of having it paid by the City of Anniston directly to  
6 the trust.

7 (4) City of Anniston Contributions.

8 a. Effective October 1, 2002, the City of Anniston  
9 shall contribute to the trust an amount equal to the  
10 participant contributions paid into the trust under subsection  
11 (a)(3)b.1.(i) of this section out of the City of Anniston  
12 treasury, the payment to be made at the same time that the  
13 participant contributions described in subsection  
14 (a)(3)b.1.(i) of this section are required to be paid.

15 b. Effective on and after October 1, 2012, subject  
16 to subsection (b), the City of Anniston shall contribute to  
17 the trust out of the City of Anniston treasury, such amounts  
18 that are sufficient to meet the normal cost of the plan and to  
19 amortize the plan's unfunded liability, if any, within 30  
20 years. Furthermore, the net increase, if any, in the plan's  
21 unfunded liability arising from significant amendments to the  
22 plan, changes in actuarial assumptions, changes in funding  
23 methods, or actuarial gains or losses shall be amortized  
24 within 30 years.

25 (5) Public Utility Contributions.



1           a. Effective for fiscal years before October 1,  
2     2012, each public utility, qualified to do business under the  
3     laws of the State of Alabama and selling electricity or  
4     electric current or natural gas or intra-city bus  
5     transportation or local exchange telephone service or  
6     telegraph service within the corporate limits and police  
7     jurisdiction of the City of Anniston ("public utility"), shall  
8     annually, on or before the first day of February, pay into the  
9     trust a sum equal to one-half of one percent of the gross  
10    revenues of such public utility from the sale of electricity  
11    or electric current or natural gas or intra-city bus  
12    transportation or local exchange telephone service or  
13    telegraph service within the corporate limits and police  
14    jurisdiction of the City of Anniston during the preceding  
15    fiscal year ("gross revenues"); however, the sum equal to  
16    one-half of one percent of the gross revenues of such public  
17    utilities shall be deducted from and offset against any  
18    privilege or license tax which the municipal corporation may  
19    by law impose upon such public utility. The payment required  
20    in this subsection shall be treated as a privilege or license  
21    tax and shall be subject to the provisions of Sections  
22    11-51-128 and 11-51-129 of the Code of Alabama 1975.

23           Accompanying such payment by each public utility  
24    there shall be filed with the secretary-treasurer a sworn  
25    statement by an officer or authorized agent of such public



1 utility showing the amount of the gross revenue received by  
2 such public utility. Any such public utility which fails or  
3 refuses to comply with the provisions of this subsection shall  
4 forfeit to the trust the sum of one thousand dollars (\$1,000)  
5 to be recovered in a civil action instituted in the name of  
6 the trust by the City of Anniston attorney.

7 b. Effective for fiscal years beginning on and after  
8 October 1, 2012, public utilities shall no longer contribute  
9 any gross revenues to the trust, and further, such public  
10 utilities shall no longer deduct from or offset against any  
11 privilege or license tax any gross revenues.

12 (b) Notwithstanding the foregoing and anything to  
13 the contrary herein, if the City of Anniston's contributions,  
14 as calculated in accordance with subsection (a)(4)b. of this  
15 section, equal or exceed three times, or are less than two  
16 times, the participants' contributions, as calculated in  
17 accordance with subsection (a)(3)b.1.(ii) of this section  
18 ("contribution limitations"), or are reasonably expected to  
19 approach, based on reasonable actuarial assumptions or  
20 projections, or both, such contribution limitations, the  
21 retirement board may amend or modify pursuant to a written  
22 board resolution:

23 (1) Participants' contributions described in  
24 subsection (a)(3)b.1.(ii) of this section or



(2) The City of Anniston's contributions described in subsection (a)(4)b. of this section, or both.

#### Section 11. Participation.

(a) Every individual who becomes employed by the City of Anniston, excluding any person who is employed as an independent contractor, as a sworn police officer or as a sworn firefighter shall become a participant ("participant") in the plan and shall make contributions to the trust in accordance with Section 10.

(b) The City of Anniston shall withhold from all participants' compensation such participant contributions each payroll period and the aggregate amount so withheld shall be paid to the trustee to deposit in the trust. Participant contributions shall be paid beginning with a participant's first paycheck after becoming a sworn police officer or as a sworn firefighter as provided in subsection (a).

#### Section 12. Participant Eligibility for Benefits.

A participant's service with the City of Anniston as a sworn police officer or a sworn firefighter is used to determine the participant's eligibility for a benefit from the plan and the amount of benefits that the participant may be entitled to receive. Unless provided otherwise, service shall be based on a continuous period beginning on the first day of employment as a sworn police officer or a sworn firefighter and ending on the participant's date of retirement, or if



1 earlier, his or her date of termination of employment or date  
2 of death. No service is credited for any partial years of  
3 service. If the participant's employment with the City of  
4 Anniston as a sworn police officer or a sworn firefighter  
5 terminates prior to becoming eligible for retirement, he or  
6 she will lose any service credited under the plan.

7 Section 13. Credit for Military Service.

8 (a) Qualified Military Service. The plan will grant  
9 continuous service in accordance with the Uniformed Services  
10 Employment and Reemployment Rights Act of 1994 ("USERRA"), 38  
11 U.S.C. Sections 4301 through 4333, for a participant who is an  
12 employee immediately prior to the commencement of qualified  
13 military service, as defined in Code Section 414(u)(5),  
14 provided such participant:

15 (1) Provides the City of Anniston with advance  
16 written notice of the qualified military service;

17 (2) Has accumulated five years or less of qualified  
18 military service while employed with the City of Anniston;

19 (3) Returns to work or applies for reemployment  
20 within the applicable time period specified in subsections  
21 (b)(1) through (4);

22 (4) Has not been separated from the qualified  
23 military service with a disqualifying discharge or under other  
24 than honorable conditions.



1           (b) Time frame for Reemployment. Under USERRA, the  
2 time period in which a participant must return to work or  
3 apply for reemployment depends on the length of qualified  
4 military service. In general, those time periods are as  
5 follows:

6           (1) One day after a participant's qualified military  
7 service ends, if such service was less than 31 days.

8           (2) Fourteen days after a participant's qualified  
9 military service ends, if such service was more than 30, but  
10 less than 181 days.

11           (3) Ninety days after a participant's qualified  
12 military service ends, if such service was more than 180 days.

13           (4) If a participant is hospitalized for or  
14 recovering from an illness or injury that was incurred or  
15 aggravated during qualified military service, USERRA requires  
16 that such participant return to work or apply for reemployment  
17 with the City of Anniston as soon as he or she has recovered.  
18 Except as otherwise provided by USERRA, such recovery period  
19 cannot exceed two years.

20           (c) Plan Contributions. A participant returning from  
21 qualified military service who meets the requirements of  
22 subsections (a) and (b) shall have the right to make up his or  
23 her participant contributions for the period of qualified  
24 military service and thereby receive credit for continuous  
25 service equal to his or her period of qualified military



1 service. Such participant must notify the retirement board  
2 within a reasonable period of time following reemployment of  
3 his or her desire to repay his or her participant  
4 contributions. Such contributions shall be made (1) in a lump  
5 sum payment or (2) over a period of time beginning with the  
6 participant's date of reemployment and extending three times  
7 the period of the participant's qualified military service,  
8 with such payment period not to exceed five years. No such  
9 payment may exceed the amount the participant would have been  
10 permitted or required to contribute had the participant  
11 remained continuously employed throughout the period of  
12 qualified military service.

13 For purposes of calculating participant  
14 contributions under this section, the participant's  
15 compensation during the period of qualified military service  
16 shall be computed as the compensation the participant would  
17 have received but for the period of qualified military  
18 service; provided, however, in the event that the  
19 determination of such compensation is not reasonably certain,  
20 the participant's compensation shall be calculated as the  
21 participant's average rate of compensation during the 12-month  
22 period immediately preceding the qualified military service,  
23 or, if shorter, the period of employment immediately preceding  
24 such period.



1           (d) Except as provided in this section, a  
2 participant shall not receive credited service for periods of  
3 absence from employment during which he or she receives no  
4 compensation from the City of Anniston.

5           (e) Notwithstanding any provision of the plan to the  
6 contrary, all contributions and benefits relating to qualified  
7 military service shall be made in accordance with applicable  
8 state and federal law, including, but not limited to, USERRA  
9 and the Internal Revenue Code, including those provisions  
10 created by the Heroes Earnings Assistance and Relief Tax  
11 (HEART) Act of 2008.

12           Section 14. Retirement Eligibility and Benefit.

13           (a) Participants Hired Before May 29, 1979. Subject  
14 to Section 15, any person who was hired by the City of  
15 Anniston as a sworn police officer or sworn firefighter before  
16 May 29, 1979, and who has been in continuous service as a  
17 participant for a period of 20 years shall have a  
18 non-forfeitable right to a benefit and shall be entitled to  
19 retire and receive a monthly benefit from the plan in an  
20 amount equal to three percent of the average of his or her  
21 monthly compensation for the last three years preceding his or  
22 her retirement multiplied by the number of years of continuous  
23 service; provided, however, credit shall not be counted for  
24 continuous service in excess of 30 years.



1 (b) Participants Hired On and After May 29, 1979.

2 Any participant who was hired by the City of Anniston as a  
3 sworn police officer or sworn firefighter on or after May 29,  
4 1979, shall have a non-forfeitable right to a benefit to the  
5 extent described in this subsection (b), subject to  
6 subsections (c) and (d).

7 (1) A participant shall have a non-forfeitable right  
8 to a benefit if such participant has been in continuous  
9 service as a participant for a period of 20 years. Such  
10 participant shall be entitled to retire and receive a monthly  
11 benefit from the plan in an amount equal to the following:

12 a. Two and one-half percent of the average of his or  
13 her monthly compensation for the last three years preceding  
14 his or her retirement multiplied by the number of full years  
15 of continuous service beginning on or after October 1, 2012,  
16 plus

17 b. Three percent of the average of his or her  
18 monthly compensation for the last three years preceding his or  
19 her retirement multiplied by the number of full years of  
20 continuous service minus those full years of continuous  
21 service accounted for in subsection (b)(1)a.,

22 Reduced by four percent for each year his or her  
23 total continuous service is less than 25 years.

24 Notwithstanding the foregoing, there shall be no  
25 reduction in a participant's monthly benefit described herein



1 if such participant has been in continuous service for a  
2 period of at least 25 years. Credit shall not be counted for  
3 continuous service in excess of 30 years.

4 (2) A participant shall have a non-forfeitable right  
5 to a benefit if such participant was an active participant in  
6 the plan as of September 30, 2012, and will attain age 60  
7 prior to being in continuous service as a participant for a  
8 period of 20 years. Such participant shall be entitled to  
9 retire and receive a monthly benefit from the plan in an  
10 amount equal to the following:

11 a. Two and one-half percent of the average of his or  
12 her monthly compensation for the last three years preceding  
13 his or her retirement multiplied by the number of full years  
14 of continuous service beginning on or after the participant  
15 attains age 60, plus

16 b. Three percent of the average of his or her  
17 monthly compensation for the last three years preceding his or  
18 her retirement multiplied by the number of full years of  
19 continuous service minus those full years of continuous  
20 service accounted for in subsection (b) (2) a.

21 Notwithstanding the foregoing, credit shall not be  
22 counted for continuous service in excess of 30 years.

23 (c) Seventy-Five Percent Limitation. Notwithstanding  
24 the foregoing, effective as of October 1, 2012, a  
25 participant's monthly benefit under this section shall not



1       exceed 75 percent of his or her monthly compensation;  
2       provided, however, with respect to any participant whose  
3       accrued benefit may equal or exceed 75 percent of his or her  
4       monthly compensation as of October 1, 2012, his or her monthly  
5       benefit shall not exceed the participant's accrued benefit  
6       calculated as of the end of the first full year of continuous  
7       service beginning on or after October 1, 2012.

8               (d) Notwithstanding this section, if the City of  
9       Anniston's contributions meet the contribution limitations  
10      described in subsection (b) of Section 10, or the City of  
11      Anniston's contributions are reasonably expected to approach,  
12      based on reasonable actuarial assumptions or projections, or  
13      both, such contribution limitations, the retirement board may  
14      amend or modify the provisions of this section pursuant to a  
15      written board resolution.

16               Section 15. Normal Retirement Age.

17              (a) Effective with respect to retirements that occur  
18      before October 1, 2012, the retirement board shall retire from  
19      service any participant who has attained age 60 years, and  
20      such participant shall be entitled to receive a monthly  
21      benefit from the plan equal to three percent of the average of  
22      his or her monthly compensation for the last three years  
23      preceding his or her retirement multiplied by the number of  
24      years of continuous service; provided, however, credit shall  
25      not be counted for continuous service in excess of 30 years.



1           (b) Effective with respect to retirements that occur  
2 on and after October 1, 2012, the retirement board shall  
3 retire from service any participant who has attained age 65  
4 years, and such participant shall become fully vested and  
5 entitled to receive a monthly benefit from the plan calculated  
6 in accordance with Section 14(b).

7           Section 16. Compensation for Purposes of Benefit  
8 Calculations.

9           (a) Compensation. For purposes of calculating  
10 contributions to the plan in accordance with Section 10 and  
11 benefits paid under the plan in accordance with Section 14,  
12 Section 17, and Section 20, "compensation" shall include the  
13 following amounts:

14           (1) Regular salary, including accumulated vacation  
15 pay,

16           (2) Overtime pay,

17           (3) Longevity pay,

18           (4) Comp pay, and

19           (5) Any differential wage payment, as defined in  
20 Code Section 3401(h)(2), generally relating to military pay.

21           Bonuses and paid accumulated sick leave, expense  
22 allowances, and any other non-regular forms of compensation  
23 are excluded.

24           (b) Compliance with Internal Revenue Code Section  
25 401(a)(17). Compensation of each participant taken into



1 account in determining benefit accruals in any plan year  
2 beginning after December 31, 2001, shall not exceed two  
3 hundred thousand dollars (\$200,000), or such other amount  
4 provided in the Internal Revenue Code. Such amount shall be  
5 adjusted for increases in the cost of living in accordance  
6 with Internal Revenue Code Section 401(a)(17)(B), except that  
7 the dollar increase in effect on January 1 of any calendar  
8 year shall be effective for the calendar years beginning with  
9 such calendar year. For any short calendar year, the  
10 compensation limit shall be an amount equal to the  
11 compensation limit for the calendar year in which the calendar  
12 year begins multiplied by the ratio obtained by dividing the  
13 number of full months in the short calendar year by 12.

14 Section 17. Disability Benefits.

15 (a) Line of Duty Disability Benefit.

16 (1) Effective for Disabilities Occurring Before  
17 October 1, 2012.

18 a. Participants Hired Before July 1, 2002. A  
19 participant, who was hired by the City of Anniston as a sworn  
20 police officer or sworn firefighter before July 1, 2002, who  
21 becomes permanently physically or mentally disabled as a  
22 result of injuries received in the line of duty, rendering his  
23 or her retirement from service necessary, shall be entitled to  
24 receive a disability benefit equal to the following:



1           1. Participants With At Least Three Years of  
2 Service. The participant's disability benefit shall equal  
3 three percent times the average of his or her monthly  
4 compensation for the last three years preceding his or her  
5 retirement multiplied by 30.

6           2. Participants With Less Than Three Years of  
7 Service. The Participant's disability benefit shall equal  
8 three percent times the average of his or her monthly  
9 compensation for all years of continuous service multiplied by  
10 30.

11           b. Participants Hired on or after July 1, 2002. A  
12 participant, who was hired by the City of Anniston as a sworn  
13 police officer or sworn firefighter on or after July 1, 2002,  
14 who becomes physically or mentally disabled as a result of  
15 injuries received in the line of duty, rendering his or her  
16 retirement from service necessary, shall be entitled to  
17 receive a disability benefit equal to the following:

18           1. Participants 50 Percent or Greater Disabled. If  
19 the participant is determined to be 50 percent disabled or  
20 greater, the participant's disability benefit shall equal the  
21 following:

22           (i) Participants With At Least Three Years of  
23 Service. The participant's disability benefit shall equal  
24 three percent times the average of his or her monthly



1 compensation for the last three years preceding his or her  
2 retirement multiplied by 30.

3 (ii) Participants With Less Than Three Years of  
4 Service. If the total service of the participant is less than  
5 three years, the participant shall be entitled to receive a  
6 disability benefit of three percent times the average of his  
7 or her monthly compensation for all years of service  
8 multiplied by 30.

9 2. Participants Less Than 50 Percent Disabled. If  
10 the participant is determined to be less than 50 percent  
11 disabled, the participant's disability benefit shall be  
12 determined in accordance with subsection (a)(1)b.1. of this  
13 section; provided, however, such disability benefit shall be  
14 reduced by the percent of disability, as determined in  
15 accordance with subsection (c).

16 (2) Effective for Disabilities Occurring On and  
17 After October 1, 2012.

18 a. Subject to subsection (a)(2)b. of this section, a  
19 participant who becomes physically or mentally disabled as a  
20 result of bodily injury, disease, or mental disorder received  
21 in the line of duty, which renders such participant incapable  
22 of continuing his or her employment as a sworn police officer  
23 or sworn firefighter performing the same duties and having the  
24 same responsibilities as those immediately prior to the time



of the disability, shall be entitled to receive a monthly disability benefit equal to the greater of:

1. Forty percent of the participant's monthly compensation at the time of such termination from service as a sworn police officer or sworn firefighter due to disability, or

2. One hundred percent of the participant's monthly benefit calculated in accordance with Section 14 using the participant's actual number of years of continuous service and disregarding the requirement that the participant have been in continuous service for a period of 20 years.

In lieu of the disability benefit described in subsection (a)(2) of this section, a participant may elect instead to receive all of his or her contributions to the plan, without interest, in accordance with Section 18.

b. Notwithstanding subsection (a)(2) of this section, if the City of Anniston's contributions meet the contribution limitations described in subsection (b) of Section 10, or the City of Anniston's contributions are reasonably expected to approach, based on reasonable actuarial assumptions or projections, or both, such contribution limitations, the retirement board may amend or modify the provisions of subsection (a)(2) of this section pursuant to a written board resolution.

(b) Off-Duty Disability Benefits.



1           (1) Effective for Disabilities Occurring After June  
2     30, 2002, and Before October 1, 2012. If a participant becomes  
3     physically or mentally disabled, other than as a result of  
4     injuries received in the line of duty as described in  
5     subsection (a)(1) of this section, rendering retirement from  
6     service as a sworn police officer or sworn firefighter  
7     necessary, and has at least five years of continuous service,  
8     and the disability continues for at least three months, the  
9     participant shall be entitled to receive a disability benefit  
10    equal to three percent multiplied by the average of his or her  
11    monthly compensation for the last three years preceding his or  
12    her retirement from service multiplied by 25; and then  
13    multiplied by the percentage of disability, as determined  
14    according to subsection (c).

15           (2) Effective for Disabilities Occurring On and  
16    After October 1, 2012. The plan does not provide a disability  
17    benefit to a participant who becomes physically or mentally  
18    disabled, other than as a result of injuries received in the  
19    line of duty as described in subsection (a)(2) of this  
20    section, rendering retirement from service as a sworn police  
21    officer or sworn firefighter necessary as described therein;  
22    provided, however, the participant may make a request to the  
23    retirement board for the payment of all the participant's  
24    contributions made to the plan pursuant to Section 18, without  
25    interest.



1 (c) Determination of Disability.

2 (1) The retirement board shall have the authority to  
3 adopt such rules and regulations as it deems necessary to  
4 provide for procedures which shall be followed by the  
5 retirement board and by a participant applying for or  
6 receiving or continuing to receive disability benefits.

7 (2) The retirement board shall have the right at any  
8 time to cause the retired participant to be examined by a  
9 licensed medical advisor selected by the retirement board to  
10 assist it in ascertaining whether a participant is entitled to  
11 a disability benefit or entitled to a continued disability  
12 benefit. The American Medical Association's Guidelines for the  
13 Evaluation of Permanent Impairment ("Impairment Guide") shall  
14 be used to determine the percentage of disability suffered by  
15 the participant. The retirement board may accept documentation  
16 presented from the participant's physician, provided it  
17 complies with the criteria set forth in the Impairment Guide  
18 and further provided that the physician certifies that he or  
19 she is familiar with the duties and functions of the  
20 participant and that the participant is expected to be unable  
21 to perform certain material functions of his or her service to  
22 the City of Anniston as a sworn police officer or sworn  
23 firefighter. The retirement board shall have the authority to  
24 issue such subpoenas to compel the production of such records  
25 or the attendance of such witnesses to assist it in its



1 determination and adopt such rules and regulations as it deems  
2 necessary to provide for procedures which shall be followed by  
3 the retirement board and by a participant applying for or  
4 receiving disability benefits. In no event, however, shall a  
5 participant's application for disability benefits remain  
6 pending before the retirement board for a period in excess of  
7 six months, except with the express written consent of the  
8 participant.

9 (3) The participant shall be entitled to notice and  
10 to be present at all hearings of the evidence related to his  
11 or her application for disability benefits or any hearing  
12 relating to the continuation of his or her disability  
13 benefits. The participant shall be permitted to propound any  
14 questions pertinent or relevant to the issue of the  
15 disability. The participant also shall have the right to  
16 introduce in his or her own behalf any competent evidence  
17 under oath.

18 (4) The retirement board, or anyone acting on its  
19 behalf, shall administer oaths to witnesses and shall be  
20 authorized to issue such subpoenas as it deems necessary to  
21 compel the production of such records or the attendance of  
22 such witnesses to determine such issue of disability, or the  
23 continuation thereof.

24 (5) If the retirement board determines that the  
25 participant is no longer disabled to the degree previously



1 approved, the retirement board shall order that the disability  
2 benefits to the participant from the trust shall be adjusted  
3 or discontinued, whichever is applicable.

4 (6) Workers' Compensation. For purposes of computing  
5 the average of the monthly compensation of a participant, the  
6 average of the monthly compensation of the participant shall  
7 not be decreased during any portion of the three-year period  
8 preceding his or her retirement by virtue of being placed on  
9 workers' compensation for any portion of the income shall be  
10 calculated as if he or she was receiving the monthly  
11 compensation which would have otherwise been paid to him or  
12 her during the period that he or she was paid workers'  
13 compensation benefits notwithstanding the decrease in the  
14 contributions made for the participant or by the participant  
15 into the trust during the time that the workers' compensation  
16 benefits are paid. Workers' compensation means benefits paid  
17 to a participant under any workers' compensation law of the  
18 State of Alabama for any injury or disability suffered by such  
19 participant while working for the City of Anniston on the job  
20 or position by reason of which he or she is a participant.

21 Section 18. Termination of Employment; Return of  
22 Contributions; Participation in the Plan Ceased.

23 In the event a participant terminates employment  
24 with the City of Anniston as a sworn police officer or sworn  
25 firefighter for any reason prior to becoming eligible for a



1 benefit from the plan, the participant shall be entitled to  
2 receive all his or her participant contributions, without  
3 interest, made to the plan pursuant to Section 10 and shall  
4 have no further claim to benefits from the plan, and his or  
5 her participation in the plan shall cease as of the date of  
6 termination. If the participant subsequently becomes employed  
7 by the City of Anniston as a sworn police officer or as a  
8 sworn firefighter, he or she shall be treated as a new  
9 participant and accrual of benefits shall begin as of the date  
10 of his or her reemployment, unless otherwise allowed by  
11 applicable law to repay such participant contributions to the  
12 plan and continue participation in the plan.

13 All other contributions made to the plan pursuant to  
14 Section 10, including the City of Anniston contributions, are  
15 never returned to a participant who terminates employment or a  
16 participant's beneficiary. All such contributions shall remain  
17 in the trust, except such contributions that are returned to  
18 the City of Anniston to correct certain errors, e.g.,  
19 inclusion in the plan of an ineligible individual or the  
20 overpayment of contributions to the trust, etc.

21 Section 19. Maximum Benefits; Limitations;  
22 Adjustments.

23 (a) Annual Benefit and Final Regulations Under  
24 Internal Revenue Code Section 415.



1           (1) Annual Benefit. For purposes of this section,  
2       "annual benefit" means the benefit payable annually under the  
3       terms of the plan, exclusive of any benefit not required to be  
4       considered for purposes of applying the limitations of  
5       Internal Revenue Code Section 415 to the plan, in the form of  
6       a straight life annuity with no ancillary benefits. If the  
7       benefit is payable in any other form, the annual benefit shall  
8       be adjusted to the equivalent of a straight life annuity  
9       pursuant to subsection (c).

10           (2) Final Regulations Under Internal Revenue Code  
11       Section 415. Notwithstanding anything in this section to the  
12       contrary, the following provisions apply beginning on or after  
13       January 1, 1976, except as otherwise provided in this section.

14           a. Incorporation by Reference. The limitations,  
15       adjustments, and other requirements prescribed in the plan  
16       shall comply with the provisions of Internal Revenue Code  
17       Section 415 and the final regulations promulgated thereunder,  
18       the terms of which are specifically incorporated herein by  
19       reference for limitation years beginning on or after July 1,  
20       2007, except where an earlier effective date is otherwise  
21       provided in the final regulations or in this section. However,  
22       where the final regulations permit the plan to specify an  
23       alternative option to a default option set forth in the  
24       regulations, and the alternative option was available under  
25       statutory provisions, regulations, and other published



1 guidance relating to Internal Revenue Code Section 415 as in  
2 effect prior to April 5, 2007, and the plan provisions in  
3 effect as of April 5, 2007, incorporated the alternative  
4 option, the alternative option shall remain in effect as a  
5 plan provision for limitation years beginning on or after July  
6 1, 2007, unless another permissible option is selected herein.

7 b. Grandfather Provision. The application of the  
8 provisions of this section shall not cause the maximum annual  
9 benefit for any participant to be less than the participant's  
10 accrued benefit under all the defined benefit plans of the  
11 City of Anniston or a predecessor employer as of the end of  
12 the last limitation year beginning before July 1, 2007, under  
13 provisions of the plans that were both adopted and in effect  
14 before April 5, 2007. The preceding sentence applies only if  
15 the provisions of such defined benefit plans that were both  
16 adopted and in effect before April 5, 2007, satisfied the  
17 applicable requirements of statutory provisions, regulations,  
18 and other published guidance relating to Internal Revenue Code  
19 Section 415 in effect as of the end of the last limitation  
20 year beginning before July 1, 2007, as described in Treasury  
21 Regulations Section 1.415(a)-1(g)(4).

22 c. Adjustment to Dollar Limit After Date of  
23 Severance. In the case of a participant who has had a  
24 severance from employment with the City of Anniston, the  
25 defined benefit dollar limitation applicable to the



1 participant in any limitation year beginning after the date of  
2 severance shall automatically be adjusted under Internal  
3 Revenue Code Section 415(d).

4 (3) Treatment of Qualified Governmental Excess  
5 Benefit Arrangements. Pursuant to Internal Revenue Code  
6 Section 415(m), in determining whether the plan meets the  
7 requirements of this section, the annual benefit does not  
8 include benefits provided under any qualified governmental  
9 excess benefit arrangement as defined in Internal Revenue Code  
10 Section 415(m) (3).

11 (b) Maximum Annual Benefit.

12 (1) Notwithstanding the foregoing and subject to the  
13 exceptions and adjustments below, effective for limitation  
14 years ending after December 31, 2001, the annual benefit  
15 otherwise payable to a participant under the plan at any time  
16 shall not exceed the maximum annual benefit, and if the  
17 benefit a participant would otherwise accrue in a limitation  
18 year would produce an annual benefit in excess of the maximum  
19 annual benefit, the benefit shall be limited, or the rate of  
20 accrual reduced, to a benefit that does not exceed the maximum  
21 annual benefit. The maximum annual benefit payable to a  
22 participant under the plan in any limitation year shall equal  
23 the "defined benefit dollar limitation" ("Maximum Annual  
24 Benefit"). The "defined benefit dollar limitation" one hundred  
25 sixty thousand dollars (\$160,000), as adjusted, effective



1 January 1 of each year, under Internal Revenue Code Section  
2 415(d) in such manner as the secretary-treasurer shall  
3 prescribe, and payable in the form of a straight life annuity.  
4 Such dollar limitation as adjusted under Internal Revenue Code  
5 Section 415(d) will apply to limitation years ending with or  
6 within the calendar year for which the adjustment applies.

7 (2) For purposes of applying the limitations of  
8 Internal Revenue Code Section 415, the "limitation year" shall  
9 be the calendar year. All qualified plans maintained by the  
10 City of Anniston must use the same limitation year. If the  
11 limitation year is amended to a different 12 consecutive month  
12 period, the new limitation year must begin on a date within  
13 the limitation year in which the amendment is made.

14 (3) Notwithstanding anything in this section to the  
15 contrary, if the plan was in existence on May 6, 1986, and had  
16 complied at all times with the requirements of Internal  
17 Revenue Code Section 415, the maximum annual benefit for any  
18 individual who is a participant as of the first day of the  
19 limitation year beginning after December 31, 1986, shall not  
20 be less than the "current accrued benefit." "Current accrued  
21 benefit" shall mean a participant's accrued benefit under the  
22 plan, determined as if the participant had separated from  
23 service as of the close of the last limitation year beginning  
24 before January 1, 1987, when expressed as an annual benefit  
25 within the meaning of Internal Revenue Code Section 415(b)(2).



1 In determining the amount of a participant's current accrued  
2 benefit, the following shall be disregarded: a. any change in  
3 the terms and conditions of the plan after May 5, 1986; and b.  
4 any cost of living adjustment occurring after May 5, 1986.

5 (4) For the purpose of this section, all qualified  
6 defined benefit plans, whether terminated or not, ever  
7 maintained by the City of Anniston shall be treated as one  
8 defined benefit plan.

9 If a participant is, or has ever been, a participant  
10 in more than one defined benefit plan maintained by the City  
11 of Anniston, the sum of the participant's annual benefits from  
12 all such plans may not exceed the maximum annual benefit of  
13 this subsection (b). Where the participant's City of Anniston  
14 provided benefits under all defined benefit plans ever  
15 maintained by the City of Anniston, determined as of the same  
16 age, would exceed the maximum annual benefit applicable at  
17 that age, the City of Anniston will reduce the rate of accrual  
18 in the plan to the extent necessary so that the total annual  
19 benefit payable at any time under such plans will not exceed  
20 the maximum annual benefit.

21 (5) For the purpose of this section, if the City of  
22 Anniston is a member of a controlled group of corporations,  
23 trades or businesses under common control, as defined by  
24 Internal Revenue Code Section 1563(a) or Internal Revenue Code  
25 Section 414(b) and (c) as modified by Internal Revenue Code



1 Section 415(h), or is a member of an affiliated service group,  
2 as defined by Internal Revenue Code Section 414(m), all  
3 employees of such employers shall be considered to be employed  
4 by a single employer.

5 (6) Notwithstanding anything contained in this  
6 section to the contrary, the limitations, adjustments, and  
7 other requirements prescribed in this section shall at all  
8 times comply with the provisions of Internal Revenue Code  
9 Section 415 and the regulations thereunder.

10 (7) Affect on Participants of EGTRRA Increase in  
11 Internal Revenue Code Section 415(b) Limitations. Effective  
12 for limitation years ending after December 31, 2001, benefit  
13 increases resulting from the increase in the limitations of  
14 Internal Revenue Code Section 415(b) on account of the  
15 Economic Growth and Tax Relief Reconciliation Act of 2001  
16 ("EGTRRA") will be provided to all current and former  
17 participants, with benefits limited by Internal Revenue Code  
18 Section 415(b), who have an accrued benefit under the plan  
19 immediately prior to the effective date of this section, other  
20 than an accrued benefit resulting from a benefit increase  
21 solely as a result of the increases in limitations under  
22 Internal Revenue Code Section 415(b).

23 (c) Adjustments to Annual Benefit and Limitations.

24 (1) Adjustment if Fewer than 10 Years. Effective for  
25 limitation years ending after December 31, 2001, if a



1 participant has fewer than 10 years of participation in the  
2 plan, then the defined benefit dollar limitation of subsection  
3 (b) shall be multiplied by a fraction, a. the numerator of  
4 which is the number of years, or part thereof, of  
5 participation in the plan, and b. the denominator of which is  
6 10. However, in no event shall such fraction be less than  
7 1/10th. Notwithstanding the foregoing, no adjustment shall be  
8 made to the defined benefit dollar limitation for a  
9 distribution on account of a participant becoming disabled by  
10 reason of personal injuries or sickness, or as a result of the  
11 death of a participant.

12 For purposes of this section, a "year of  
13 participation" means each accrual computation period for which  
14 the following conditions are met: a. the participant is  
15 credited with a period of service for benefit accrual  
16 purposes, required under the terms of the plan in order to  
17 accrue a benefit for the accrual computation period, and b.  
18 the participant is included as a participant under the  
19 eligibility provisions of the plan for at least one day of the  
20 accrual computation period. If these two conditions are met,  
21 the portion of a year of participation credited to the  
22 participant shall equal the amount of benefit accrual service  
23 credited to the participant for such accrual computation  
24 period. A participant who is permanently and totally disabled  
25 within the meaning of Internal Revenue Code Section



1 415(c) (3) (C) (i) for an accrual computation period shall  
2 receive a year of participation with respect to the period. In  
3 no event will more than one year of participation be credited  
4 for any 12-month period.

5 (2) Adjustment of Defined Benefit Dollar Limitation  
6 for Commencement Before Age 62. Effective for benefits  
7 commencing in limitation years ending after December 31, 2001,  
8 the defined benefit dollar limitation shall be adjusted if the  
9 annuity starting date of the participant's benefit is before  
10 age 62.

11 a. Limitation Years Beginning Before July 1, 2007.  
12 If the annuity starting date for the participant's benefit is  
13 prior to age 62 and occurs in a limitation year beginning  
14 before July 1, 2007, the defined benefit dollar limitation for  
15 the participant's annuity starting date is the annual amount  
16 of a benefit payable in the form of a straight life annuity  
17 commencing at the participant's annuity starting date that is  
18 the actuarial equivalent of the defined benefit dollar  
19 limitation with actuarial equivalence computed using whichever  
20 of the following produces the smaller annual amount: 1. the  
21 applicable interest rate and applicable mortality table, or  
22 other tabular factor, as defined in Internal Revenue Code  
23 Section 417(e) (3); or 2. a five percent interest rate  
24 assumption and the applicable mortality table as defined in  
25 Internal Revenue Code Section 417(e) (3).



1                   b. Limitation Years Beginning On or After July 1,  
2                   2007.

3                   1. Plan Does Not Have Immediately Commencing  
4                   Straight Life Annuity Payable at Both Age 62 and the Age of  
5                   Benefit Commencement. If the annuity starting date for the  
6                   participant's benefit is prior to age 62 and occurs in a  
7                   limitation year beginning on or after July 1, 2007, and the  
8                   plan does not have an immediately commencing straight life  
9                   annuity payable at both age 62 and the age of benefit  
10                  commencement, the defined benefit dollar limitation for the  
11                  participant's annuity starting date is the annual amount of a  
12                  benefit payable in the form of a straight life annuity  
13                  commencing at the participant's annuity starting date that is  
14                  the actuarial equivalent of the defined benefit dollar  
15                  limitation with actuarial equivalence computed using a five  
16                  percent interest rate assumption and the applicable mortality  
17                  table under Treasury Regulations Section 1.417(e)-1(d)(2), or  
18                  the applicable mortality table as required by law, that is  
19                  effective for that annuity starting date, and expressing the  
20                  participant's age based on completed calendar months as of the  
21                  annuity starting date.

22                  2. Plan Has Immediately Commencing Straight Life  
23                  Annuity Payable at Both Age 62 and the Age of Benefit  
24                  Commencement. If the annuity starting date for the  
25                  participant's benefit is prior to age 62 and occurs in a



1        limitation year beginning on or after July 1, 2007, and the  
2        plan has an immediately commencing straight life annuity  
3        payable at both age 62 and the age of benefit commencement,  
4        the defined benefit dollar limitation for the participant's  
5        annuity starting date is the lesser of the limitation  
6        determined under subsection (c)(2)b.1. of this section and the  
7        defined benefit dollar limitation multiplied by the ratio of  
8        the annual amount of the immediately commencing straight life  
9        annuity under the plan at the participant's annuity starting  
10       date to the annual amount of the immediately commencing  
11       straight life annuity under the plan at age 62, both  
12       determined without applying the limitations of this section.

13                c. Mortality Adjustments. Notwithstanding the other  
14       requirements of this section, no adjustment shall be made to  
15       the defined benefit dollar limitation to reflect the  
16       probability of a participant's death between the annuity  
17       starting date and age 62 if benefits are not forfeited upon  
18       the death of the participant prior to the annuity starting  
19       date. To the extent benefits are forfeited upon death before  
20       the annuity starting date, such an adjustment shall be made.  
21       For this purpose, no forfeiture shall be treated as occurring  
22       upon the participant's death if the plan does not charge  
23       participants for providing a qualified preretirement survivor  
24       annuity, as defined in Internal Revenue Code Section 417(c),  
25       upon the participant's death.



1           d. Exception for Certain Participants to the  
2 Adjustment of Defined Benefit Dollar Limitation for  
3 Commencement Before Age 62.

4           1. Qualified Participants. Pursuant to Internal  
5 Revenue Code Section 415(b)(2)(G) and (H), no age adjustment  
6 is made to the defined benefit dollar limitation for  
7 commencement before age 62 for any "qualified participant."  
8 For this purpose, a "qualified participant" is a participant  
9 in a defined benefit plan that is maintained by a state or any  
10 political subdivision of a state with respect to whom the  
11 service taken into account in determining the amount of the  
12 benefit under the defined benefit plan includes at least 15  
13 years of service of the participant as a full-time employee of  
14 any police department or fire department that is organized and  
15 operated by the state or political subdivision maintaining  
16 such defined benefit plan to provide police protection,  
17 firefighting services, or emergency medical services for any  
18 area within the jurisdiction of such state or political  
19 subdivision, or as a member of the Armed Forces of the United  
20 States.

21           2. Survivor and Disability Benefits. Pursuant to  
22 Internal Revenue Code Section 415(b)(2)(I), no age adjustment  
23 is made to the defined benefit dollar limitation for  
24 commencement before age 62 for a distribution from the plan on  
25 account of a participant becoming disabled by reason of



1 personal injuries or sickness, or as a result of the death of  
2 a participant.

3 (3) Actuarial Equivalence of Forms of Benefit Other  
4 Than a Straight Life Annuity. Effective for distributions in  
5 plan years beginning after December 31, 2003, the  
6 determination of actuarial equivalence of forms of benefit  
7 other than a straight life annuity shall be made in accordance  
8 with a. or b. in the subsection below.

9 a. Benefit Forms Based on a Participant's Life, Not  
10 Subject to Internal Revenue Code Section 417(e)(3). The  
11 straight life annuity that is actuarially equivalent to the  
12 participant's form of benefit shall be determined under this  
13 section if the form of the participant's benefit is either 1.  
14 a nondecreasing annuity, other than a straight life annuity,  
15 payable for a period of not less than the life of the  
16 participant, or, in the case of a qualified pre-retirement  
17 survivor annuity, the life of the surviving spouse, or 2. an  
18 annuity that decreases during the life of the participant  
19 merely because of (i) the death of the survivor annuitant, but  
20 only if the reduction is not below 50 percent of the benefit  
21 payable before the death of the survivor annuitant, or (ii)  
22 the cessation or reduction of Social Security supplements or  
23 qualified disability payments, as defined in Internal Revenue  
24 Code Section 401(a)(11).



1           1. Limitation Years Beginning Before July 1, 2007.

2       For limitation years beginning before July 1, 2007, the  
3       actuarially equivalent straight life annuity is equal to the  
4       annual amount of the straight life annuity commencing at the  
5       same annuity starting date that has the same actuarial present  
6       value as the participant's form of benefit computed using  
7       whichever of the following produces the greater annual amount:

8           (i) The applicable interest rate and applicable  
9       mortality table, or other tabular factor, as defined in  
10      Internal Revenue Code Section 417(e)(3) for adjusting benefits  
11      in the same form; or

12          (ii) Five percent interest rate assumption and the  
13      applicable mortality table as defined in Internal Revenue Code  
14      Section 417(e)(3).

15           2. Limitation Years Beginning On or After July 1,  
16      2007. For limitation years beginning on or after July 1, 2007,  
17      the actuarially equivalent straight life annuity is equal to  
18      the greater of:

19          (i) The annual amount of the straight life annuity,  
20      if any, payable to the participant under the plan commencing  
21      at the same annuity starting date as the participant's form of  
22      benefit; or

23          (ii) The annual amount of the straight life annuity  
24      commencing at the same annuity starting date that has the same  
25      actuarial present value as the participant's form of benefit,



1       computed using a five percent interest rate assumption and the  
2       applicable mortality table as described in Treasury  
3       Regulations Section 1.417(e)-1(d)(2), or the applicable  
4       mortality table as required by law for that annuity starting  
5       date.

6               b. Benefit Forms Not Based on a Participant's Life,  
7       Lump Sum, Term Certain, Subject to Internal Revenue Code  
8       Section 417(e)(3). The straight life annuity that is  
9       actuarially equivalent to the participant's form of benefit  
10      shall be determined under this subsection if the form of the  
11      participant's benefit is other than a benefit form described  
12      in subsection (c)(3)a. In this case, the actuarially  
13      equivalent straight life annuity shall be determined as  
14      follows:

15              1. Annuity Starting Date in Plan Years Beginning  
16      After 2005. If the annuity starting date of the participant's  
17      form of benefit is in a plan year beginning after 2005, the  
18      actuarially equivalent straight life annuity is equal to the  
19      greatest of:

20              (i) The annual amount of the straight life annuity  
21      commencing at the same annuity starting date that has the same  
22      actuarial present value as the participant's form of benefit,  
23      computed using the interest rate and mortality table specified  
24      in the plan for adjusting benefits in the same form;



1           (ii) The annual amount of the straight life annuity  
2     commencing at the same annuity starting date that has the same  
3     actuarial present value as the participant's form of benefit,  
4     computed using a five and one-half percent interest rate  
5     assumption and the applicable mortality table for the  
6     distribution under Treasury Regulations Section  
7     1.417(e)-1(d)(2), or the applicable mortality table as  
8     required by law; or

9           (iii) The annual amount of the straight life annuity  
10    commencing at the same annuity starting date that has the same  
11    actuarial present value as the participant's form of benefit,  
12    computed for the distribution under Treasury Regulations  
13    Section 1.417(e)-1(d)(3), or the applicable interest rate as  
14    required by law, and the applicable mortality table for the  
15    distribution under Treasury Regulations Section  
16    1.417(e)-1(d)(2), or the applicable mortality table as  
17    required by law, divided by 1.05.

18           2. Annuity Starting Date in Plan Years Beginning in  
19    2004 or 2005. If the annuity starting date of the  
20    participant's form of benefit is in a plan year beginning in  
21    2004 or 2005, the actuarially equivalent straight life annuity  
22    is equal to the annual amount of the straight life annuity  
23    commencing at the same annuity starting date that has the same  
24    actuarial present value as the participant's form of benefit,



1       computed using whichever of the following produces the greater  
2       annual amount:

3               (i) The applicable interest rate and applicable  
4       mortality table, or other tabular factor, as defined in  
5       Internal Revenue Code Section 417(e)(3) for adjusting benefits  
6       in the same form; or

7               (ii) A five and one-half percent interest rate  
8       assumption and the applicable mortality table for the  
9       distribution under Treasury Regulations Section  
10      1.417(e)-1(d)(2).

11              (4) For purposes of subsection (a) and subsection  
12      (c)(2), no adjustments under Internal Revenue Code Section  
13      415(d) shall be taken into account before the limitation year  
14      for which such adjustment first takes effect.

15              (5) No actuarial adjustment to the benefit is  
16      required for a. the value of a qualified joint and survivor  
17      annuity, b. ancillary benefits that are not directly related  
18      to retirement benefits, such as a qualified disability  
19      benefit, pre-retirement death benefits, and post-retirement  
20      medical benefits, and c. the value of post-retirement cost of  
21      living increases made in accordance with Internal Revenue Code  
22      Section 415(d) and Treasury Regulations Section 1.415(d)-1.  
23      The annual benefit does not include any benefits attributable  
24      to employee contributions or rollover contributions, or the



1 assets transferred from a qualified plan that was not  
2 maintained by the City of Anniston.

3 (d) Annual Benefit Not in Excess of Ten Thousand  
4 Dollars (\$10,000).

5 (1) The plan may pay an annual benefit to any  
6 participant in excess of the participant's maximum annual  
7 benefit if the annual benefit derived from employer  
8 contributions under the plan and all other defined benefit  
9 plans maintained by the City of Anniston does not in the  
10 aggregate exceed ten thousand dollars (\$10,000) for the  
11 limitation year or for any prior limitation year and the City  
12 of Anniston has not at any time maintained a defined  
13 contribution plan, a welfare benefit fund under which amounts  
14 attributable to post-retirement medical benefits are allocated  
15 to separate accounts of key employees, as defined in Internal  
16 Revenue Code Section 419(A)(d)(3), or an individual medical  
17 account in which the participant participated. For purposes of  
18 this subsection, if the plan provides for voluntary or  
19 mandatory employee contributions, such contributions will not  
20 be considered a separate defined contribution plan maintained  
21 by the City of Anniston.

22 (2) However, if a participant has fewer than 10  
23 years of service with the City of Anniston, then the ten  
24 thousand dollar (\$10,000) threshold of subsection (d)(1) shall  
25 be multiplied by a fraction, a. the numerator of which is the



1 number of years, or part thereof, of service with the City of  
2 Anniston and b. the denominator of which is 10. However, in no  
3 event shall such fraction be less than 1/10th.

4 (e) Purchase of Permissive Service Credit.

5 (1) In General. If a participant makes one or more  
6 contributions to the plan to purchase permissive service  
7 credit under the plan, the requirements of Internal Revenue  
8 Code Section 415 shall be treated as met with respect to these  
9 contributions if:

10 a. The requirements of Internal Revenue Code Section  
11 415(b) are met, determined by treating the accrued benefit  
12 derived from all such contributions as an annual benefit for  
13 purposes of Internal Revenue Code Section 415(b), provided,  
14 however, the plan shall not fail to meet the reduced limit  
15 under Internal Revenue Code Section 415(b) (2) (C) solely by  
16 reason of this section; or

17 b. The requirements of Internal Revenue Code Section  
18 415(c) are met, determined by treating all such contributions  
19 as annual additions for purposes of Internal Revenue Code  
20 Section 415(c), provided, however, the plan shall not fail to  
21 meet the percentage limitation under Internal Revenue Code  
22 Section 415(c) (1) (B) solely by reason of this section.

23 (2) Limitation on Nonqualified Service Credit. The  
24 plan shall fail to meet the requirements of this section if:



1           a. More than five years of nonqualified service  
2 credit are taken into account; or

3           b. Any nonqualified service credit is taken into  
4 account before the participant has at least five years of  
5 participation under the plan.

6           (3) Definitions.

7           a. Permissive Service Credit. For purposes of this  
8 section, "permissive service credit" means service credit:

9           1. Recognized by the plan for purposes of  
10 calculating a participant's benefit under the plan;

11           2. Which such participant has not otherwise received  
12 under the plan; and

13           3. Which such participant may receive only by making  
14 a voluntary additional contribution, in an amount determined  
15 under the plan, which does not exceed the amount necessary to  
16 fund the benefit attributable to such service credit.

17           Permissive service credit may include service credit  
18 for periods for which there is no performance of service, and,  
19 notwithstanding subsection (e)(3)a.2., may include service  
20 credited in order to provide an increased benefit for service  
21 credit which a participant is receiving under the plan.

22           b. Nonqualified Service Credit. For purposes of this  
23 section, "nonqualified service credit" means permissive  
24 service credit other than that allowed with respect to:



1           1. Service, including parental, medical, sabbatical,  
2           and similar leave, as an employee of the government of the  
3           United States, any state or political subdivision thereof, or  
4           any agency or instrumentality of any of the foregoing, other  
5           than military service or service for credit which was obtained  
6           as a result of a repayment described in Internal Revenue Code  
7           Section 415(k) (3);

8           2. Service, including parental, medical, sabbatical,  
9           and similar leave, as an employee, other than as an employee  
10          described in subsection (e) (3)b.1., of an educational  
11          organization described in Internal Revenue Code Section  
12          170(b) (1) (A) (ii) which is a public, private, or sectarian  
13          school which provides elementary or secondary education,  
14          through grade 12, or a comparable level of education, as  
15          determined under state law;

16          3. Service as an employee of an association of  
17          employees who are described in subsection (e) (3)b.1.; or

18          4. Military service, other than qualified military  
19          service, recognized by the plan.

20                 In the case of service described in subsections  
21          (e) (3)b.1, 2, and 3, such service will be nonqualified service  
22          if recognition of such service would cause a participant to  
23          receive a retirement benefit for the same service under more  
24          than one plan.



1           (4) Special Rules for Trustee-to-Trustee Transfers.

2       In the case of a trustee-to-trustee transfer to which Section  
3       403(b)(13)(A) or 457(e)(17)(A) applies, without regard to  
4       whether the transfer is made between plans maintained by the  
5       same employer:

6           a. The limitations above shall not apply in  
7       determining whether the transfer is for the purchase of  
8       permissive service credit; and

9           b. The distribution rules applicable to the defined  
10      benefit governmental plan to which any amounts are so  
11      transferred shall apply to such amounts and any benefits  
12      attributable to such amounts.

13          (5) Effective Date. This section shall be effective  
14      with respect to permissive service credit contributions made  
15      in years beginning after December 31, 1997. Notwithstanding  
16      the foregoing, in the case of an "eligible participant," the  
17      limitations of Internal Revenue Code Section 415(c)(1) shall  
18      not be applied to reduce the amount of permissive service  
19      credit which may be purchased to an amount which is less than  
20      the amount which was allowed to be purchased under the terms  
21      of the plan as in effect on August 5, 1997. For purposes of  
22      this subsection, an "eligible participant" is an individual  
23      who became a participant in the plan before January 1, 1998.

24          (f) Annual Benefit Attributable to Mandatory  
25      Employee Contributions.



1           (1) In the case of "mandatory employee  
2     contributions" as defined in Internal Revenue Code Section  
3     411(c) (2) (C) and Treasury Regulations Section  
4     1.411(c)-1(c) (4), or contributions that would be mandatory  
5     employee contributions if Internal Revenue Code Section 411  
6     applied to the plan, the annual benefit attributable to such  
7     mandatory employee contributions is determined by applying the  
8     factors applicable to mandatory employee contributions as  
9     described in Internal Revenue Code Section 411(c) (2) (B) and  
10    (C) and regulations promulgated under Internal Revenue Code  
11    Section 411 to those contributions to determine the amount of  
12    a straight life annuity commencing at the annuity starting  
13    date, regardless of whether the requirements of Internal  
14    Revenue Code Sections 411 and 417 apply.

15           (2) For purposes of applying such factors to the  
16    plan, the applicable effective date of Internal Revenue Code  
17    Section 411(a) (2), which is used under Treasury Regulations  
18    Section 1.411(c)-1(c) (3) to determine the beginning date from  
19    which statutorily specified interest must be credited to  
20    mandatory employee contributions, must be determined as if  
21    Internal Revenue Code Section 411 applied to the plan, and in  
22    determining the annual benefit that is actuarially equivalent  
23    to these accumulated contributions, the plan must determine  
24    the interest rate that would have been required under Internal



1 Revenue Code Section 417(e)(3) as if Internal Revenue Code  
2 Section 417 applied to the plan.

3 Section 20. Death Benefits.

4 (a) Participant Death in the Line of Duty.

5 (1) Effective for Deaths Occurring Before October 1,  
6 2012.

7 a. Surviving Spouse. If a participant dies as a  
8 result of injuries received in the line of duty and leaves a  
9 surviving spouse, the retirement board shall direct the  
10 payment to the surviving spouse of a monthly pension equal to  
11 Option B-100 percent joint and survivor plan, described in  
12 Section 21, based on a 30-year service retirement.

13 b. No Surviving Spouse and Surviving Children. If a  
14 participant dies as a result of injuries received in the line  
15 of duty and leaves no surviving spouse or the surviving spouse  
16 should die, and if the participant leaves a surviving child or  
17 children under the age of 18 years, then a benefit of 50  
18 percent of the amount the participant would have been paid  
19 under the 100 percent joint and survivor plan based on a  
20 30-year service retirement shall be paid to the legal guardian  
21 of the child or children then under the age of 18 years, for  
22 the use and benefit of the child or children, until the  
23 youngest child reaches the age of 18 years. As each child  
24 reaches the age of 18 years, the child shall cease to  
25 participate in the 50 percent, thereby increasing the share or



1 shares of the other child or children under the age of 18  
2 years.

3 (2) Effective for Deaths Occurring On and After  
4 October 1, 2012.

5 a. Surviving Spouse. Subject to subsection (a)(2)c.  
6 of this section, if a participant dies as a result of injuries  
7 received in the line of duty and leaves a surviving spouse,  
8 the retirement board shall direct the payment to the surviving  
9 spouse of a monthly death benefit equal to 62 1/2 percent of  
10 the participant's monthly benefit calculated in accordance  
11 with Section 14 using a period of 25 years of continuous  
12 service regardless of the participant's actual number of years  
13 of continuous service.

14 Notwithstanding the forgoing, such monthly death  
15 benefits shall cease should the surviving spouse remarry.

16 b. No Surviving Spouse and Surviving Children.  
17 Subject to subsection (a)(2)c., if a participant dies as a  
18 result of injuries received in the line of duty and leaves no  
19 surviving spouse or the surviving spouse should die, and if  
20 the participant leaves a surviving child or children under the  
21 age of 18 years at the time of the participant's death, the  
22 retirement board shall direct the payment to the legal  
23 guardian of such child or children, for the use and benefit of  
24 the child or children, until the youngest child reaches the  
25 age 18 years, a monthly death benefit equal to 62 1/2 percent



1 of the participant's monthly benefit calculated in accordance  
2 with Section 14 using a period of 25 years of continuous  
3 service regardless of the participant's actual number of years  
4 of continuous service.

5 As each child attains, or in the event the child  
6 dies before attaining, the age of 18 years, the child shall  
7 cease to participate in the monthly death benefits, thereby  
8 increasing the share or shares of the other child or children  
9 under the age of 18 years.

10 c. Notwithstanding this subsection, if the City of  
11 Anniston's contributions meet the contribution limitations  
12 described in subsection (b) of Section 10, or the City of  
13 Anniston's contributions are reasonably expected to approach,  
14 based on reasonable actuarial assumptions or projections, or  
15 both, such contribution limitations, the retirement board may  
16 amend or modify the provisions of this subsection pursuant to  
17 a written board resolution.

18 (b) Participant Death Other Than in the Line of  
19 Duty.

20 (1) Effective for Participant Deaths Occurring  
21 Before October 1, 2012.

22 a. Twenty Years of Service.

23 1. Surviving Spouse. If a participant, who has been  
24 in continuous service for a period of at least 20 years, dies  
25 from any cause other than as a result of injuries received in



1 the line of duty and leaves a surviving spouse, the retirement  
2 board shall direct the payment to the surviving spouse of a  
3 monthly pension equal to Option B-100 percent joint and  
4 survivor plan, described in Section 21, based on the  
5 participant's years of continuous service as calculated in  
6 accordance with Section 14.

7 2. No Surviving Spouse and Surviving Children. If a  
8 participant, who has been in continuous service for a period  
9 of at least 20 years, dies from any cause other than as a  
10 result of injuries received in the line of duty and leaves no  
11 surviving spouse or the surviving spouse should die, and if  
12 the participant leaves a surviving child or children under the  
13 age of 18 years, then a benefit of 50 percent of the amount  
14 the participant would have been paid under the 100 percent  
15 joint and survivor plan based on the participant's years of  
16 continuous service as calculated in accordance with Section 14  
17 shall be paid to the legal guardian of the child or children  
18 then under the age of 18 years, for the use and benefit of the  
19 child or children, until the youngest child reaches the age of  
20 18 years. As each child reaches the age of 18 years, the child  
21 shall cease to participate in the 50 percent, thereby  
22 increasing the share or shares of the other child or children  
23 under the age of 18 years.

24 b. Less Than 20 Years of Service.



1           1. Surviving Spouse. If a participant who has been  
2     in continuous service for a period of less than 20 years dies  
3     from any cause other than as a result of injuries received in  
4     the line of duty and leaves a surviving spouse, the retirement  
5     board shall direct the payment to the surviving spouse of all  
6     the participant's contributions made to the plan pursuant to  
7     Section 18, without interest.

8           2. No Surviving Spouse and Surviving Children. If a  
9     participant who has been in continuous service for a period of  
10    less than 20 years dies from any cause other than as a result  
11    of injuries received in the line of duty and leaves no  
12    surviving spouse, and if the participant leaves a surviving  
13    child or children under the age of 18 years, the retirement  
14    board shall direct the payment of all the participant's  
15    contributions made to the plan pursuant to Section 18, without  
16    interest, to the legal guardian of the child or children who  
17    are then under the age of 18 years for the use and benefit of  
18    the child or children.

19           (2) Effective for Participant Deaths On and After  
20    October 1, 2012. The plan does not provide a death benefit,  
21    other than as a result of death in the line of duty as  
22    described in subsection (a); provided, however, if a  
23    participant leaves a surviving spouse or leaves no surviving  
24    spouse but leaves a surviving child or children under the age  
25    of 18 years, the surviving spouse or surviving child or



1 children may make a request to the retirement board for the  
2 payment of all the participant's contributions made to the  
3 plan pursuant to Section 18, without interest.

4 (c) Participant Retires Prior to January 1, 1989,  
5 and Subsequent Death.

6 (1) Surviving Spouse. If a participant, having  
7 retired prior to January 1, 1989, dies from any cause and  
8 leaves a surviving spouse, the retirement board shall direct  
9 the payment of a monthly pension to the surviving spouse equal  
10 to 50 percent of the amount of the pension being paid to the  
11 retired participant at the time of his or her death.

12 (2) No Surviving Spouse and Surviving Children. If a  
13 participant, having retired prior to January 1, 1989, dies  
14 from any cause and leaves no surviving spouse, and if the  
15 participant leaves a surviving child or children under the age  
16 of 18 years, the retirement board shall direct the payment to  
17 the legal guardian of the child or children then under the age  
18 of 18 years, a monthly pension equal to 25 percent of the  
19 amount that the participant was receiving prior to his or her  
20 death for the use and benefit of the child or children.

21 (d) Participant Death and No Surviving Spouse or  
22 Children Under 18 Years. Notwithstanding any provisions  
23 contained in the plan to the contrary, in the event a  
24 participant dies from any cause leaving no surviving spouse or  
25 child under the age of 18 years, or if the youngest child of



1 the participant has attained the age of 18 years, the  
2 retirement board shall pay a lump sum equal to the  
3 participant's contributions made to the plan pursuant to  
4 Section 18, into the trust to a beneficiary who has been  
5 designated by the participant, in writing, executed by the  
6 participant on a form prescribed by the retirement board and  
7 delivered to the secretary-treasurer. In the event that the  
8 participant has not designated a beneficiary, the retirement  
9 board shall, upon demand, pay the lump sum equal to the  
10 deceased participant's contributions made to the plan pursuant  
11 to Section 18, into the trust to the personal representative  
12 of the estate of the deceased participant. Any amounts  
13 received by the participant in his or her lifetime or by his  
14 or her surviving spouse or children following the death of the  
15 participant shall be deducted from the amount payable to the  
16 beneficiary properly designated by the participant or to the  
17 estate of the deceased participant pursuant to the terms of  
18 the plan. Any attempt to designate a beneficiary pursuant to  
19 the terms of this subsection not in compliance with the  
20 procedure set forth herein shall be wholly ineffective and the  
21 retirement board and the secretary-treasurer shall be exempted  
22 and immune from any suit, action, or cause of action for  
23 damages or from any other compelling the payment of the lump  
24 sum provided herein to a person not properly designated as a  
25 beneficiary in accordance with the terms of the plan.



1           (e) Surviving Spouse or Children by a Prior  
2     Marriage. Notwithstanding any provisions contained in the plan  
3     to the contrary, any participant whose death meets the  
4     criteria set out in subsections (a), (b), and (c) and who  
5     leaves surviving children by a prior marriage or marriages,  
6     who are under the age of 18 years, and for whom no other  
7     court-ordered provision in contemplation of divorce has been  
8     made in regard to this section, the retirement board shall  
9     direct that 50 percent of the monthly benefits from the trust  
10    be paid to the surviving child or children under the age of 18  
11    years in the same manner set out in each subsection as if  
12    there were no surviving spouse and that any surviving spouse  
13    shall receive the other 50 percent in the same manner as each  
14    subsection sets out. It being the intent of the retirement  
15    board to provide benefits to any child or children of the  
16    participant from a prior marriage or marriages, who are under  
17    the age of 18 years, and for whom no court-ordered provision  
18    regarding the plan has been previously made. In no event shall  
19    a child or children receive any dependent benefits from the  
20    plan under this subsection after attaining the age of 18  
21    years, except as otherwise payable under the terms of this  
22    subsection.

23           Section 21. Optional Benefit Plans.

24           (a) Optional Plans. Any participant terminating  
25    service on or after January 1, 1989, pursuant to the terms of



1 Section 14, Section 15, or Section 17 shall, within 20 days of  
2 the effective date of termination have the option of electing  
3 a pension plan with or without death benefits from one of the  
4 following three optional plans:

5 (1) Option A-Fifty Percent Joint and Survivor Plan.

6 a. A participant having elected Option A shall,  
7 during his or her lifetime, receive a monthly benefit from the  
8 plan in accordance with Section 14, Section 15, or Section 17.

9 b. In the event that a participant dies from any  
10 cause and leaves a surviving spouse, the retirement board  
11 shall direct the payment to the spouse of a monthly pension  
12 equal to 50 percent of the amount of the pension being paid to  
13 the participant at the time of his or her death; provided,  
14 however, with respect to retirements pursuant to Section 14 or  
15 Section 15 occurring on and after October 1, 2012, if a  
16 participant's spouse thereafter remarries, such monthly  
17 pension benefits shall cease.

18 c. If the participant dies and leaves no surviving  
19 spouse or if the participant dies and simultaneously or  
20 thereafter the surviving spouse dies but leaves a surviving  
21 child or children of the participant under the age of 18  
22 years, the retirement board shall direct the payment to the  
23 legal guardian of the child or children who are then under the  
24 age of 18 years, a monthly pension equal to 25 percent of the



1 amount that the participant was receiving prior to his or her  
2 death for the use and benefit of the child or children.

3 (2) Option B-One Hundred Percent Joint and Survivor  
4 Plan.

5 a. A participant having elected Option B shall,  
6 during his or her lifetime, receive a monthly benefit from the  
7 plan in an amount which shall be the actuarial equivalent  
8 monthly benefit which would have been due to the participant  
9 had the participant elected Option A.

10 b. In the event that a participant dies from any  
11 cause and leaves a surviving spouse, the retirement board  
12 shall direct the payment to the spouse of a monthly pension  
13 equal to 100 percent of the amount of the pension being paid  
14 to the participant at the time of his or her death; provided,  
15 however, with respect to retirements pursuant to Section 14 or  
16 Section 15 occurring on and after October 1, 2012, if a  
17 participant's spouse thereafter remarries, such monthly  
18 pension benefits shall cease.

19 c. If the participant dies and leaves no surviving  
20 spouse or if the participant dies and simultaneously or  
21 thereafter the surviving spouse dies but leaves a surviving  
22 child or children of the participant under the age of 18  
23 years, the retirement board shall direct the payment to the  
24 legal guardian of the child or children who are then under the  
25 age of 18 years, a monthly pension equal to 50 percent of the



1 amount that the participant was receiving prior to his or her  
2 death for the use and benefit of the child or children.

3 (3) Option C - Life Only Benefit Plan.

4 a. A participant having elected Option C shall,  
5 during his or her lifetime, receive a monthly benefit from the  
6 plan in an amount which shall be the actuarial equivalent  
7 monthly benefit which would have been due to the participant  
8 had the participant elected Option A.

9 b. No death benefits shall be payable to any  
10 survivor or dependents of the participant under this Option C  
11 and all benefits under the plan shall terminate upon the death  
12 of the participant.

13 (b) Elections. A participant shall be entitled to  
14 elect in writing to the secretary-treasurer one of the  
15 optional plans set forth in subsection (a) on the form  
16 prescribed by the retirement board, which election shall be  
17 irrevocable. An election made pursuant to this subsection  
18 shall not be effective unless accompanied by a document  
19 executed by the spouse of the participant explaining the  
20 effect of the various options available to the participant and  
21 affirmatively consenting to the election made by the  
22 participant. In the event that a participant fails to elect an  
23 optional plan, the participant automatically shall receive  
24 benefits provided under Option A. For purposes of calculating  
25 benefits under the three optional plans, a spouse or surviving



1 spouse means the spouse of the participant at the time the  
2 election is made by the participant, such that a former spouse  
3 will be treated as the spouse or surviving spouse and a  
4 current spouse will not be treated as the spouse or surviving  
5 spouse.

6 (c) Actuarial Assumptions. For the purposes of  
7 calculating the actuarial equivalent monthly benefit under the  
8 preceding subsections (a) and (b), the following assumptions  
9 shall apply:

10 (1) The 1971 Group Annuity Mortality Table.

11 (2) Seven percent interest.

12 (d) Payments to a Surviving Child or Children.

13 Payments made to a surviving child or children under the age  
14 of 18 years shall be paid equally. As each child attains, or  
15 in the event the child dies before attaining, the age of 18  
16 years, that child shall cease to receive benefits, thereby  
17 increasing the share or shares of the child or children under  
18 the age of 18 years, until the youngest child reaches age 18  
19 years.

20 Section 22. Partial Lump Sum Option.

21 (a) Notwithstanding Section 21, effective with  
22 respect to distributions before October 1, 2012, a participant  
23 may elect to receive a partial lump sum option whereby the  
24 amount of his or her monthly retirement benefit shall be  
25 reduced, in return for the payment to the participant of a



lump sum amount, in cash, at the time his or her monthly pension is first payable. The participant may elect to receive the lump sum, which is based on the reduced amount of his or her regular monthly benefit, before any reduction for survivor benefits, for life multiplied by the specified number of months, as set forth below:

Reduction Factor	Multiplier
0.91	12 months
0.83	24 months
0.77	36 months
0.71	48 months
0.67	60 months

$$\text{Lump Sum Benefit} = \text{Monthly Retirement Benefit} \times \text{Reduction Factor} \times \text{Multiplier}$$

The monthly benefit then shall be reduced appropriately for survivor benefit options.

(b) Effective with respect to distributions on and after October 1, 2012, the plan does not provide a partial lump sum distribution option; rather all distributions shall be made in accordance with Section 21.



1           Section 23. Proof of Marriage and Parentage.

2           (a) When the spouse or children of an active or  
3 retired participant shall be entitled to benefits under the  
4 plan, such spouse or children shall make, or cause to be made,  
5 an application to the retirement board through the  
6 secretary-treasurer which shall demonstrate (1) proof of the  
7 marriage of such participant to the spouse or (2) the ages of  
8 the participant's children by birth certificate or other  
9 competent evidence, as the case may be. All such applications  
10 and evidence of marriage and parental relationships shall be  
11 kept and retained in the custody of the retirement board.

12           (b) The retirement board shall have the right to  
13 require such proper proof of parentage or marriage and such  
14 other evidence as the retirement board deems desirable to  
15 determine eligibility for or to deny a benefit. Such  
16 documentation may include, but not be limited to, a birth  
17 certificate, a marriage certificate, and affidavits of  
18 relatives, participants, or other persons knowledgeable of the  
19 fact of marriage. If no marriage certificate is available, for  
20 common law marriage, proof shall include evidence of the  
21 existence of the marriage as may be required by applicable law  
22 and also may require indemnification and hold harmless  
23 agreements. The retirement board may require that unclear  
24 cases be adjudicated in an appropriate court proceeding. The



retirement board's determination of benefits and the right of any person to receive payment shall be conclusive.

Section 24. Minimum Distribution Requirements.

(a) In General. Benefit payments under the plan must begin by the "required beginning date," defined as April 1 of the calendar year following the later of:

(1) The calendar year in which the participant attains age 70 1/2, or

(2) The calendar year in which the participant terminates active employment.

The participant's entire interest in the trust must be distributed, beginning no later than the "required beginning date," over the life of the participant or the lives of the participant and a designated beneficiary, or over a period not extending beyond the life expectancy of the participant or the participant and designated beneficiary.

(b) Participant Dies Before Entire Interest Is Distributed.

(1) Distributions Have Begun. 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 distributions prior to the participant's death.



1           (2) Distributions Have Not Begun. When a participant  
2 dies before distribution of benefits has begun, the following  
3 rules apply:

4           a. Five-Year Rule and No Designated Beneficiary. If  
5 there is no designated beneficiary, the entire interest of the  
6 participant shall be distributed within five years of the  
7 participant's death.

8           b. Life Expectancy Rule and Designated Beneficiary.  
9 If the participant's interest is payable to a non-spouse  
10 designated beneficiary, the entire interest shall be paid over  
11 the life of such designated beneficiary, such distributions  
12 shall begin on or before the end of the calendar year after  
13 the calendar year in which the participant died.

14           c. Special Rule for the Surviving Spouse. If the  
15 participant's sole designated beneficiary is the surviving  
16 spouse, the date on which distributions are required to begin  
17 shall not be earlier than the December 31st of the calendar  
18 year in which the participant would have attained age 70 1/2.

19           (c) Reasonable and Good Faith Interpretation.  
20 Notwithstanding anything in this section to the contrary, the  
21 plan shall pay all benefits in accordance with a reasonable  
22 and good faith interpretation of Internal Revenue Code Section  
23 401(a)(9), including the incidental death benefit requirement  
24 in Code Section 401(a)(9)(G), and the regulations thereunder,



Treasury Regulation Sections 1.401(a)(9)-1 through 1.401(a)(9)-9.

Section 25. Eligible Rollover Distribution; Direct Rollover.

(a) Rollovers Generally.

(1) Notwithstanding any provision 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, to have any portion of an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the distributee in a direct rollover.

(2) Definitions.

a. Eligible Rollover Distribution. An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an "eligible rollover distribution" does not include:

1. Any distribution that is one of a series of substantially equal periodic payments, not less frequently than annually, made for the life, or life expectancy, of the "distributee" or the joint lives, or joint life expectancies, of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;

2. Any distribution to the extent such distribution is required under Internal Revenue Code Section 401(a)(9);



1           3. Any hardship distribution; or

2           4. The portion of any distribution that is not  
3 includible in gross income, determined without regard to the  
4 exclusion for net unrealized appreciation with respect to  
5 employer securities.

6           A portion of a distribution shall not fail to be an  
7 "eligible rollover distribution" merely because the portion  
8 consists of after-tax employee contributions which are not  
9 includible in gross income. However, such portion of after-tax  
10 employee contributions may be transferred only to:

11           (i) An individual retirement account described in  
12 Internal Revenue Code Section 408(a) or an individual  
13 retirement annuity described in Internal Revenue Code Section  
14 408(b); or

15           (ii) A qualified trust described in Internal Revenue  
16 Code Section 401(a) or an annuity contract described in  
17 Internal Revenue Code Section 403(b), if such trust or  
18 contract provides for separate accounting for amounts so  
19 transferred, including interest thereon, including separately  
20 accounting for the portion of such distribution which is  
21 includible in gross income and the portion of such  
22 distribution which is not so includible.

23           b. Eligible Retirement Plan. An "eligible retirement  
24 plan" includes:



1           1. An eligible plan under Internal Revenue Code  
2 Section 457(b) which is maintained by a state, political  
3 subdivision of a state, or any agency or instrumentality of a  
4 state or political subdivision of a state and which agrees to  
5 separately account for amounts transferred into such plan from  
6 the plan,

7           2. An individual retirement account described in  
8 Internal Revenue Code Section 408(a) or an individual  
9 retirement annuity described in Internal Revenue Code Section  
10 408(b),

11           3. An annuity plan described in Internal Revenue  
12 Code Section 403(a) or an annuity contract described in  
13 Internal Revenue Code Section 403(b), or

14           4. A qualified trust described in Internal Revenue  
15 Code Section 401(a) that accepts the distributee's "eligible  
16 rollover distribution."

17           c. Distributee. A distributee includes an employee  
18 or former employee. In addition, the employee's or former  
19 employee's surviving spouse and the employee's or former  
20 employee's spouse or former spouse who is the alternate payee  
21 under a qualified domestic relations order, as defined in  
22 Internal Revenue Code Section 414(p), are distributees with  
23 regard to the interest of the spouse or former spouse.



1           d. Direct Rollover. A direct rollover is a payment  
2 by the plan to the "eligible retirement plan" specified by the  
3 distributee.

4           (b) Direct Rollovers by Non-Spouse Beneficiaries.

5           (1) Non-Spouse Beneficiary Rollover Right.

6 Notwithstanding the direct rollover provisions in subsection  
7 (a), for distributions in plan years starting after December  
8 31, 2009, in accordance with Internal Revenue Code Section  
9 402(c)(11), a non-spouse beneficiary who is a designated  
10 beneficiary, as defined in Internal Revenue Code Section  
11 401(a)(9)(E) and the regulations thereunder, may, by means of  
12 a direct trustee-to-trustee transfer, roll over all or any  
13 portion of an "eligible rollover distribution" to an  
14 individual retirement plan the designated beneficiary  
15 establishes for purposes of receiving the distribution. Such  
16 individual retirement plan shall be treated as an inherited  
17 individual retirement account or individual retirement  
18 annuity, within the meaning of Internal Revenue Code Section  
19 408(d)(3)(C). If a non-spouse beneficiary receives a  
20 distribution from the plan, the distribution is not eligible  
21 for a 60-day, non-direct rollover.

22           (2) Trust Beneficiary. If the participant's named  
23 beneficiary is a trust, the plan may make a direct  
24 trustee-to-trustee transfer to an individual retirement plan  
25 on behalf of the trust, provided the trust satisfies the



1 requirements to be a designated beneficiary within the meaning  
2 of Internal Revenue Code Section 401(a)(9)(E).

3 (3) Required Minimum Distributions Not Eligible For  
4 Rollover. A non-spouse beneficiary may not roll over an amount  
5 which is a required minimum distribution, as determined under  
6 applicable treasury regulations and other Internal Revenue  
7 Service guidance. If the participant dies before the  
8 participant's required beginning date and the non-spouse  
9 beneficiary rolls over to an individual retirement plan the  
10 maximum amount eligible for rollover, the non-spouse  
11 beneficiary may elect to use either the five-year rule or the  
12 life expectancy rule, pursuant to Treasury Regulations Section  
13 1.401(a)(9)-3, A-4(c), in determining the required minimum  
14 distributions from the individual retirement plan that  
15 receives the non-spouse beneficiary's distribution.

16 (c) Rollover to Roth IRA. For distributions made  
17 after December 31, 2007, in accordance with Internal Revenue  
18 Code Section 408A, a participant may elect to roll over  
19 directly an "eligible rollover distribution" to a Roth IRA, as  
20 defined in Internal Revenue Code Section 408A(b).

21 Section 26. Claims Procedure.

22 Claims for benefits under the plan must be filed in  
23 writing with the secretary-treasurer on forms provided by the  
24 retirement board in accordance with procedures established by  
25 the retirement board or the secretary-treasurer, or both.



1           Section 27. Claims Review Procedure.

2           Within 30 days after any final decision of the  
3 retirement board, any party, including the governing body of  
4 the City of Anniston, aggrieved at the decision of the  
5 retirement board may appeal from such decision to the Circuit  
6 Court of Calhoun County. Such appeal shall be de novo and  
7 shall be heard by a judge sitting without a jury. Upon the  
8 taking of such appeal, the appellant shall serve notice  
9 thereof upon the secretary-treasurer. Such appeal shall be  
10 heard by the Circuit Court at the earliest possible date. No  
11 bond shall be required for such an appeal. Such an appeal  
12 shall be perfected by the appellant filing a notice thereof  
13 with the clerk of the Circuit Court. An appeal may be taken  
14 from any decision of the Circuit Court to the Court of Civil  
15 Appeals in the manner provided by law or rule, or both, for  
16 taking appeals in other cases.

17           Section 28. Exclusive Use of Assets of the Trust;  
18 Vesting; Forfeitures.

19           (a) Trust Assets May Not Be Diverted. The assets of  
20 the trust shall be held for the exclusive benefit of the  
21 participants and their beneficiaries. It shall not be possible  
22 for any part of the corpus or income of the trust or any funds  
23 contributed thereto to be used for, or diverted to, purposes  
24 other than the exclusive benefit of such participants or their  
25 beneficiaries, whether by operation or natural termination of



1 the trust, by power of revocation or amendment, by the  
2 happening of a contingency, by collateral arrangement, or by  
3 other means. No benefits payable as set forth in the plan  
4 shall be assignable or be subject to execution, levy,  
5 attachment, garnishment, or other legal process. Accordingly,  
6 the plan shall not recognize any domestic relations order  
7 attempting to provide a participant's benefits, or any portion  
8 thereof, to an alternate payee.

9 (b) Vesting. The retirement benefit earned by a  
10 participant shall be fully vested no later than the date he or  
11 she becomes eligible for a normal service retirement benefit.  
12 Benefits of affected participants also shall become vested, to  
13 the extent funded, upon the termination or partial termination  
14 of the trust or the complete discontinuance of contributions  
15 to the trust.

16 (c) Forfeitures May Not Increase Benefits.  
17 Forfeitures resulting from a termination of employment or a  
18 withdrawal of a participant's own contributions may not be  
19 used to increase benefits to remaining participants. This  
20 shall not preclude an increase in benefits by amendment to the  
21 benefit formula made possible by favorable investment results  
22 or for any other reason.

23 Section 29. Actuary; Reports.

24 The retirement board shall retain the services of a  
25 competent actuary and actuarial firm on continuous basis at a



1 fee to be determined by the retirement board to advise the  
2 retirement board on all actuarial matters pertaining to the  
3 trust. The actuary shall possess the following minimum  
4 qualifications:

5 (1) The actuary shall be an enrolled actuary under  
6 the provisions of the Employee Retirement Income Society Act  
7 of 1974, as amended, and

8 (2) The actuary shall be a Fellow of the Society of  
9 Actuaries or employed by an actuarial firm that employs a  
10 Fellow of the Society of Actuaries.

11 (b) There must be an actuarial valuation of the plan  
12 at least once every two years. The plan assets are to be  
13 valued on the last day of the City of Anniston's fiscal year,  
14 or on any other date determined by the retirement board, using  
15 any reasonable method of valuation. In establishing the  
16 liabilities under the plan and contributions thereto, the  
17 actuary shall use such methods and assumptions as will  
18 reasonably reflect the cost of the benefits.

19 (c) The actuary, actuarial firm, or both shall be  
20 required to submit its reports in writing to the retirement  
21 board. These reports shall become a permanent record of the  
22 retirement board.

23 Section 30. Annual Audits. The retirement board  
24 shall have an audit made annually of the trust by a certified  
25 public accountant.



1           Section 31. Insufficiency of Funds. If at any time  
2           there shall not be sufficient funds in the trust to pay each  
3           individual entitled to the benefits therefrom the full amount  
4           per month as herein provided, then an equal percentage of such  
5           monthly payment or payments shall be made to each individual  
6           until the trust shall be sufficient to warrant payment in full  
7           to each of the beneficiaries.

8           Section 32. Warrants For Payment of Money. All  
9           monies ordered to be paid from the trust shall be paid by the  
10          secretary-treasurer only upon warrants signed by two members  
11          of the retirement board and countersigned by the  
12          secretary-treasurer. No warrant shall be drawn on the trust  
13          except by order of the retirement board, which order shall be  
14          duly and regularly entered in the record of the proceedings of  
15          the retirement board.

16          Section 33. Protection of the Trust; Exemptions. No  
17          portion of the trust shall, before or after its order for  
18          distribution by the retirement board to the person or persons  
19          entitled thereto under the provisions of the plan, be held,  
20          seized, taken, subjected to, detained, or levied upon by  
21          virtue of any attachment, garnishment, execution, injunction,  
22          writ, order, decree, or any other process whatsoever issued  
23          out of or by any court of the State of Alabama, for the  
24          payment or satisfaction, in whole or in part, of any debt,  
25          damage, demand, claim, judgment, or decree against any



1 beneficiary of the trust, but shall be exempt therefrom so  
2 that the trust shall be kept, held, and distributed solely for  
3 the purposes of the plan.

4 Section 34. Construction.

5 (a) Choice of Law. The plan shall be construed and  
6 enforced according to the Internal Revenue Code, this act, and  
7 the laws of the State of Alabama, other than its laws  
8 respecting choice of law. In the event of any discrepancy  
9 between the terms of the plan or this act and those of  
10 applicable federal law, federal law shall apply.

11 (b) Gender and Number. Words used herein in the  
12 masculine gender include the feminine and neuter, and whenever  
13 any words are used herein in the singular or plural form, they  
14 shall be construed as though they were also used in the other  
15 form in all cases where they would so apply.

16 (c) Headings and Severability. The headings and  
17 subheadings of the plan have been inserted for convenience of  
18 reference and are to be ignored in any construction of the  
19 provisions hereof. If, for any reason, any clause, sentence,  
20 subsection, section, or provision of the plan, or the  
21 application thereof, to any person, body, situation, or  
22 circumstance is held invalid or inoperative, the remainder of  
23 the plan and the application thereof to any other person,  
24 body, situation, or circumstance shall not be affected  
25 thereby.



1 (d) Uniformity. All provisions of the plan shall be  
2 interpreted and applied in a uniform, nondiscriminatory  
3 manner.

4 Section 35. No Contract of Employment.

5 The plan shall not be deemed to constitute a  
6 contract between the City of Anniston and any participant or  
7 to be consideration or an inducement for the employment of any  
8 participant or employee of the City of Anniston's police  
9 department or fire department. Nothing contained in the plan  
10 shall be deemed to give any participant or employee the right  
11 to be retained in the service of the City of Anniston or to  
12 interfere with the right of the City of Anniston to discharge  
13 any participant or employee at any time regardless of the  
14 effect which such discharge shall have upon an employee as a  
15 participant in the plan.

16 Section 36. Amendment and Termination.

17 (a) Amendment of the Plan.

18 (1) The retirement board shall have the right at any  
19 time to amend the plan, subject to the limitations of this  
20 section. Any such amendment must be consistent with this act,  
21 any other legislation relating to the trust, and consistent  
22 with other authority granted to the retirement board.  
23 Additionally, in the event that the Legislature amends this  
24 act or makes other statutory changes that impact the terms of



1 the plan, the retirement board shall cause the plan to be  
2 amended as necessary to reflect such legislation.

3 (2) Any amendment which affects the rights, duties,  
4 or responsibilities of the trustee may only be made with the  
5 trustee's written consent. Any such amendment shall become  
6 effective as provided therein upon its execution. The trustee  
7 shall not be required to execute an amendment unless such  
8 amendment affects the duties of the trustee hereunder.

9 (3) Except as otherwise specifically provided for  
10 herein, no amendment to the plan shall be effective if it  
11 authorizes or permits any part of the trust, other than such  
12 part as is required to pay taxes and administration expenses,  
13 to be used for or diverted to any purpose other than for the  
14 exclusive benefit of participants or their beneficiaries or  
15 estates.

16 (b) Termination of the Plan. In the event that the  
17 Legislature takes appropriate action to terminate the plan, or  
18 in the event of a partial termination of the plan, all amounts  
19 shall be allocated in accordance with the provisions hereof  
20 and the accrued benefit, to the extent funded as of such date,  
21 of each affected participant shall become fully vested and  
22 shall not thereafter be subject to forfeiture. Upon full  
23 termination of the plan, the retirement board shall direct the  
24 distribution of the assets in the trust to the participants.  
25 In such case, the trustee shall distribute the assets to the



1 remaining participants in the plan and to retired participants  
2 and their beneficiaries in cash or through the purchase of  
3 irrevocable deferred commitments from an insurer, subject to  
4 provision for expenses of administration or liquidation. Such  
5 distributions shall be allocated in such order as set forth by  
6 the Legislature, or by the retirement board to the extent the  
7 retirement board receives such authorization, to the extent of  
8 the sufficiency of such assets, basing such allocation on the  
9 accrued benefit for each such participant at the date of  
10 termination of the plan.

11 Section 37. All laws or parts of laws which conflict  
12 with this act are repealed.

13 Section 38. This act shall become effective  
14 immediately following its passage and approval by the  
15 Governor, or its otherwise becoming law.



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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB524  
Senate 03-MAY-12  
I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris  
Secretary

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House of Representatives  
Passed: 09-MAY-12

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By: Senator Marsh