

**ORDINANCE NO. 427
LIMERICK TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

AN ORDINANCE OF LIMERICK TOWNSHIP, MONTGOMERY COUNTY, COMMONWEALTH OF PENNSYLVANIA, AMENDING ORDINANCE 306, PROVIDING FOR THE ESTABLISHMENT OF A MUNICIPAL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLAN FOR FORMER EMPLOYEES OF THE LIMERICK TOWNSHIP MUNICIPAL AUTHORITY HIRED BY LIMERICK TOWNSHIP ON SEPTEMBER 2, 2008, AND FULL-TIME NON-UNIFORMED EMPLOYEES OF LIMERICK TOWNSHIP. HIRED ON OR AFTER JANUARY 1, 2009.

WHEREAS, it is deemed to be in the best interests of this Municipality and in the maintenance of good government that a defined contribution retirement plan be maintained to provide retirement benefits to certain municipal employees.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Supervisors of Limerick Township ("Board of Supervisors"), as follows:

SECTION 1

That a defined contribution retirement plan, entitled the Limerick Township Retirement Savings Plan (the "Plan"), for the former employees of the Limerick Township Municipal Authority hired by Limerick Township (the "Township") on September 2, 2008 and the full-time non-uniformed employees of the Township hired on or after January 1, 2009, is hereby ratified and approved and the same is incorporated herein by reference to the same. A copy of the amended Plan is attached to this Ordinance in substantially final form and shall remain on file in the Township office.

SECTION 2

All Ordinances, or parts of Ordinances, inconsistent with the provision of this Ordinance are hereby repealed.

SECTION 3: EFFECTIVE DATE

This Ordinance shall become effective retroactively to January 1, 2009.

SECTION 4: FUNDING

This Plan is to be funded and maintained by any of the following methods, or a

combination of each:

1. Contributions from the General Fund of the Township which may be required after appropriate approval of the Board of Supervisors;
2. State Aid received pursuant to the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984);
3. The sums which may be received by the Township in the form of gifts, grants, devises or bequests, may, to the extent authorized by law, be contributed to such Plan so long as prior approval of the Board of Supervisors is obtained; and
4. Any other sums received or contributed to the Board of Supervisors to the extent authorized by law and with prior approval of the Board of Supervisors.

The percentage of compensation eligible for a discretionary contribution made by the Township shall be designated by Resolution of the Board of Supervisors annually.

SECTION 5: ADMINISTRATION

PLAN ADMINISTRATOR:

The Township shall be the administrator of the Plan.

PENSION COMMITTEE:

The general administration and management of the Plan shall be under the direction of a Pension Committee as appointed by the Board of Supervisors. The Committee shall consist of at least two (2) duly appointed Township representatives and one (1) non-uniformed Plan member.

The Pension Committee shall have all powers necessary to enable it properly to carry out its duties, including, but not limited to the power to construe the provisions of the Plan, to direct the investment advisor, to determine all questions relating to eligibility of participants, to authorize benefit disbursements to participants and to delegate its authority as it deems appropriate. The decisions of the Pension Committee on all matters within the scope of its authority shall be final, subject to approval of the Board of Supervisors.

TRUSTEE:

The Plan shall be under the direction of a Trustee(s) designated by Resolution of the Board of Supervisors. The Trustee(s) shall have full responsibility for administration of the Plan established hereunder and shall hold, invest, reinvest and distribute all funds and other property received pursuant hereto in trust for the purposes of this Ordinance. The Trustee(s) may receive, at any time, gifts, grants, devises, or bequests of any money or property, real, personal or mixed, to be held by them in trust for the benefit of this Plan and in accordance with the provisions hereof. The Trustee(s) shall be subject to such rules and regulations as may from time to time be adopted by the governing body of this Township by Ordinance or Resolution.

The Trustee(s) shall have full power and authority by a majority action of its members, either directly or through their designated representatives, to do all acts, execute, acknowledge


and deliver all instruments, and to exercise for the sole benefit of the participants hereunder, any and all powers and discretions necessary to implement and effectuate the purposes of this Ordinance, including for purposes of illustration, but not limited to any of the following:

1. To hold, invest and reinvest all funds received pursuant to this Ordinance and such legal investments as may be authorized as legal investments under the laws of the Commonwealth of Pennsylvania;
2. To retain any property which may at any time become an asset of the Plan, as long as said Trustees may deem it advisable; and
3. To make distribution of the monies in the Plan, in accordance with the terms of this Ordinance.

The expense of administering this Plan, including compensation of any actuary, any custodian of the Plan, and any other charges or expenses related thereto, exclusive of the payment of benefits, may be paid by the Township or by the Plan as determined by the governing body of the Township.

DULY ENACTED AND ORDAINED this 7th day of May 2024, by the Board of Supervisors of Limerick Township, Montgomery County, Pennsylvania, in lawful session duly assembled.

ATTEST:



Daniel K. Kerr, Township Secretary

**LIMERICK TOWNSHIP
BOARD OF SUPERVISORS**

By: 

Kara Shuler, Chairman

LIMERICK TOWNSHIP RETIREMENT SAVINGS PLAN

Effective as of January 1, 2009

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LIMERICK TOWNSHIP RETIREMENT SAVINGS PLAN

(Effective as of January 1, 2009)

The Limerick Township Retirement Savings Plan (the "Plan") is sponsored by Limerick Township, located in Montgomery County in the Commonwealth of Pennsylvania, (the "Township"), for the exclusive benefit of Eligible Employees of the Township. The objective of the Plan is to help provide for employee security on retirement by means of employer contributions with respect to Eligible Employees. The Plan is intended to qualify as a governmental plan which is a profit-sharing plan under section 401(a) of the Internal Revenue Code.

Except as otherwise stated, this Plan document describes the terms and conditions of the Plan effective as of January 1, 2009.

ARTICLE I Definitions and Construction.

Except where otherwise clearly indicated by context, the masculine shall include the feminine and the singular shall include the plural, and vice-versa. Any term used herein without an initial capital letter that is used in a provision of the Code with which this Plan must comply to meet the requirements of section 401(a) of the Code shall be interpreted as having the meaning used in such provision of the Code, if necessary to comply with such provision.

"Account" means the sum of the entries maintained in the records of the Trustee and/or Funding Agency(ies) which represent the Participant's entire interest in all his accounts in the Fund.

"Active Participant" means an Eligible Employee who has become an Active Participant as provided in Article II and has been an Eligible Employee at all times thereafter. Contributions under the Plan shall only be made for or on behalf of Eligible Employees who are Active Participants.

"Age" means, for any individual, his age on his last birthday.

"Benefit Commencement Date" means, for any Participant or Designated Beneficiary, the date on which the first benefit payment, including a single sum payment, from the Participant's Account is due.

"Break in Service" means, for vesting purposes, any Computation Period in which an Employee is not credited with at least 501 Hours of Service.

"Code" means the Internal Revenue Code of 1986, as amended (or any predecessor or successor thereto).

"Compensation" means the amount of total wages paid to any Active Participant by the Employer as reported on Form W-2 with respect to any Plan Year. Compensation includes deferred compensation not included in the individual's gross taxable income due to salary reductions made pursuant to sections 125, 132(f), 402(e)(3), 402(h)(1)(B), 403(b), 457(b) of the Code. Any compensation paid to an individual who waives his right to participate in the Township's core health care, dental, vision and/or prescription drug programs is excluded from Compensation for purposes of determining the Employer Contribution.

The Compensation for each Active Participant taken into account in determining allocations for any Plan Year shall not exceed \$245,000, as such limit may be adjusted in accordance with section 401(a)(17)(B) of the Code.

"Computation Period" means,

(a) for purposes of becoming an Eligible Employee, the 12 consecutive-month period that begins on the Employee's employment commencement date (or date of reemployment, as applicable). In the event that an Employee does not complete at least 1,000 Hours of Service during his or her first eligibility Computation Period, subsequent

eligibility Computation Periods shall be measured on a Plan Year basis, beginning with the Plan Year in which the Employee's first eligibility Computation Period ends.

(b) for purposes of determining a Year of Vesting Service, the Plan Year.

(c) for purposes of receiving an allocation of the Employer Contribution for a Plan Year in accordance with Section 2.2, the Plan Year.

"Designated Beneficiary" means the individual who is designated as the beneficiary under Section 6.9 of the Plan and is the designated beneficiary under section 401(a)(9) of the Code and Treas. Reg. § 1.401(a)(9)-4.

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first contribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Article VII. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

"Early Retirement Age" means the age at which the Participant attains Age 55 and has completed five Years of Service.

"Early Retirement Date" means the first day of the month coincident with or next following the date Early Retirement Age is attained.

"Effective Date" means January 1, 2009.

"Eligibility Date" means the date on which an Employee is identified as an Eligible Employee.

"Eligible Employee" means

(a) a former Limerick Township Municipal Authority employee who became an Employee on September 2, 2008, or an Employee hired on or after January 1, 2009 who:

- (1) is 21 years of age or older;
- (2) has completed 1,000 Hours of Service during the eligibility Computation Period.

(b) An Employee who is a participant in the Limerick Township Nonuniformed Pension Plan who has accrued or is accruing a benefit under the Limerick

Township Nonuniformed Pension Plan shall not be an Eligible Employee for purposes of the Plan.

(c) An Employee who is a participant in another defined contribution plan offered and maintained by the Employer is not an Eligible Employee for purposes of the Plan.

(d) An Employee covered by a collective bargaining agreement where retirement benefits are the subject of good faith bargaining shall not be an Eligible Employee unless a collective bargaining agreement relating to his employment so provides. An individual who is a non-resident alien, as described in section 410(b)(3)(c) of the Code, shall not be an Eligible Employee. An individual who is considered to be a Leased Employee, or an independent contractor, as determined by the Township, shall not be an Eligible Employee except to the extent specifically provided by the Township. For purposes of determining eligibility under the Plan, the classification to which an individual is assigned by the Township shall be final and conclusive, regardless of whether a court, a governmental agency or any entity subsequently finds that such individual should have been assigned to a different classification.

"Employee" means a nonuniformed individual who is a common law employee of the Township. An Employee shall cease to be such on his death, or Severance from Employment. An individual who is on a leave of absence from the Township shall be considered an Employee during such leave only to the extent provided in the policies and practices established by the Township, consistent with the provisions of any and applicable collective bargaining agreement for the period of reference.

"Employer" means the Township, and each other organization which is authorized by the Board of Supervisors of the Township to adopt this Plan by action of its Board of Supervisors or other governing body, and which has adopted this Plan as a participating employer.

"Employer Contribution" means the annual discretionary amount that the Employer will contribute to the Plan pursuant to Article III. The discretionary Employer Contribution is allocated among eligible Active Participant Accounts based on the relationship of an eligible Active Participant's Compensation to the total Compensation of all eligible Active Participants.

"Entry Date" means the first day of the Plan Year in which the Eligible Employee meets the eligibility requirements set forth in Section 2.2.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Fund" means the assets accumulated for purposes of the Plan, and consists of the sum of (a) assets held by the Trustee in the Trust Fund, and (b) assets held by the Funding Agency in a group annuity, investment, insurance or similar contract, issued to the Participant or the Township by the Funding Agency. With respect to a particular Trustee or Funding Agency, "Fund" means the assets held by that Trustee or Funding Agency.

"Funding Agency" means such insurance company(ies) or regulated investment company(ies) selected by the Township as eligible to receive contributions under the Plan. A Funding Agency may hold monies contributed to the Plan by means of an associated Trustee pursuant to a Trust Agreement

"Funding Vehicle" means any fund, contract, obligation or other mode of investment to which a Participant may direct the investment of the assets of his Account held in the Trust Fund or by the Funding Agency, as the case may be.

"Hour of Service" means, for any Employee, a credit awarded with respect to:

(a) except as provided in (b) or (c),

(1) each hour for which he is directly or indirectly paid or entitled to payment by the Township for the performance of employment duties; or

(2) each hour for which he is entitled, either by award or agreement, to back pay from the Township, irrespective of mitigation of damages; or

(3) each hour for which he is directly or indirectly paid or entitled to payment by the Township on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), jury duty, layoff, leave of absence, or military duty.

(b) If records of Hours of Service are not maintained, an Employee will be credited with 10 Hours of Service if he is credited with at least 1 Hour of Service during the workday.

(c) Anything to the contrary in Subsection (a) or (b) notwithstanding:

(1) No Hours of Service shall be credited to an Employee for any period merely because, during such period, payments are made or due to him under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws.

(2) No more than 501 Hours of Service shall be credited to an Employee under Paragraph (a)(3) of this definition on account of any single continuous period during which no duties are performed by him, except to the extent otherwise provided in the Plan.

(3) No Hours of Service shall be credited to an Employee with respect to payments solely to reimburse for medical or medically related expenses.

(4) No Hours of Service shall be credited twice.

(5) Hours of Service shall be credited at least as liberally as required by the rules set forth in U.S. Department of Labor Reg. §2530.2006-2(6) and (c).

"Leased Employee" means any person (other than an Employee of the Township) who pursuant to an agreement between the Township and any other person ("leasing organization") has performed services for the Township (or for the Township and related persons determined in accordance with section 414(11)(6) of the Code) on a substantially full-time basis for a period of at least one year, during which services are performed under primary direction or control of the Township. A Leased Employee shall not be considered an Employee of the Township or an Eligible Employee.

"Life Expectancy" means the life expectancy as computed by use of the Single Life Table in Treas. Reg. § 1.401(a)(9)-9.

"Limitation Year" means the calendar year, or such other 12-consecutive-month period as may be designated by the Township.

"Maternity/Paternity Absence" means, for any Employee, an absence:

- (a) by reason of pregnancy of the Employee;
- (b) by reason of birth of a child of the Employee;
- (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee; or
- (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

No period shall be a period of Maternity/Paternity Absence unless the Employee provides the Plan Administrator with satisfactory evidence (1) that such period of absence is for reasons set forth in (a)-(d) above, and (2) that the number of days of absence is due to such reasons.

"Normal Retirement Age" means the date on which the Participant attains Age 65 or, if later, the fifth anniversary of commencement of participation in the Plan.

"Normal Retirement Date" means the first day of the month coincident with or next following the date Normal Retirement Age is attained.

"Participant" means an Active Participant or a former Active Participant who has an Account under the Plan.

"Participant's Account Balance" means the actual Account balance as of the last Valuation Date. The Plan values a Participant's Account Balance on a daily basis, which takes into consideration any investment gains or losses.

"Plan Administrator" means the Township, or such other person(s) designated as such pursuant to the provisions of Article XI.

"Plan" means the Limerick Township Retirement Savings Plan, a profit-sharing plan, as set forth herein.

("Plan Year" means the 12-consecutive-month period that begins on January 1 and ends on the December 31 next following.

"Qualified Domestic Relations Order" means a domestic relations order (within the meaning of section 414(p)(1)(B) of the Code) which creates or recognizes the existence of an Alternate Payee's rights to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable with respect to a Participant under the Plan, and is determined by the Trustee or Funding Agency (with respect to the Fund to which the order is directed) to satisfy the requirements of section 414(p) of the Code.

"Qualified Military Service" means any service (either voluntary or involuntary) by an individual in the Uniformed Services if such individual is entitled to reemployment rights with the Employer with respect to such service.

"Reemployment Commencement Date" means, for any Employee, the date on which the Employee performs an Hour of Service after having had a Severance from Employment.

"Required Beginning Date" means, for a Participant, April 1 of the calendar year following the later of the calendar year in which he has a Severance from Employment or the calendar year in which he attains Age 70½.

("Returning Veteran" means a former Employee who, on or after December 12, 1994, returns from Qualified Military Service to employment by the Employer within the period of time during which his reemployment rights are protected by law.

"Rollover Account" means the portion of a Participant's Account to which a Participant's Rollover Contributions are credited, as adjusted for earnings, losses and expenses attributable thereto.

"Rollover Contributions" means, for any Participant, his contributions as provided under Section 8.1.

"Severance from Employment" means, for any Employee, his death, retirement, resignation, discharge or any absence that causes him to cease to be an Employee.

"Total Disability" means a condition caused by an accident or illness that results in an Active Participant being determined to be totally disabled. To be considered totally disabled for purposes of this Plan, an Active Participant must be covered by, and determined to be totally disabled under the provisions of, the Township Long-Term Disability Plan. An individual will cease to be totally disabled for purposes of this Plan, and will cease to be an Active Participant, as of the date the individual ceases to receive long-term disability benefits under the Township Long-Term Disability Plan or is determined to no longer be totally disabled for purposes thereof; provided however, that the Township as Plan Administrator may, in its discretion, make an independent determination of an individual's Total Disability for purposes of this Plan. Such determination may be made on the basis of medical or other evidence (e.g., evidence of gainful employment) and the Township may consult with a medical examiner

selected by it. The medical examiner shall have the right to review such records or make such physical examinations and other investigations as may be reasonable to determine Total Disability or the fact of continued Total Disability.

"Township Long-Term Disability Plan" means a program of long-term disability benefits sponsored or maintained by the Township.

"Trust Agreement" means the Agreement of Trust establishing the Trust Fund under the Plan, including any future amendments and modifications thereto, which forms a part of the Plan.

"Trust Fund" means the Trust Fund created by the Trust Agreement and shall generally mean the money and other property held by the Trustee for purposes of the Plan.

"Trustee" means the corporate trustee, or one or more individuals collectively appointed and acting under the Trust Agreement.

"Uniformed Services" means the Armed Forces, the Army National Guard and Air National Guard (when engaged in active duty for training, inactive duty training, or full-time National Guard duty), the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

"Union" means a labor union whose members are authorized under a collective bargaining agreement between the union and the Township to participate under the Plan.

"Township" means Limerick Township, which is located in Montgomery County in the Commonwealth of Pennsylvania.

"Valuation Date" means the daily valuation by the Trustee or Funding Agency of that portion of the Fund within its custody.

"Year of Vesting Service" means, for any Employee, a credit used to determine his vested status under the Plan, as further described in Section 9.2.

ARTICLE II Participation.

2.1. Rights Affected. Except as provided to the contrary herein, the provisions of this Plan shall apply to Participants who complete an Hour of Service on or after January 1, 2009. The rights of any other individual shall be governed by the Plan as in effect upon his Severance from Employment.

2.2. Active Participation for Eligible Employees. An Eligible Employee shall commence participation in the Plan in accordance with this Section 2.2:

(a) An Employee shall become an Active Participant on the first day of the Plan Year in which he becomes an Eligible Employee.

(b) An Active Participant shall have a portion of the Employer Contribution described in Article III allocated to his Account for a Plan Year if he receives credit for at least 1,000 Hours of Service during the Plan Year.

(c) A Participant who ceases to be an Eligible Employee, by Severance from Employment or otherwise, and who later becomes an Eligible Employee, shall become an Active Participant as of the Entry Date coincident with or next following the date on which he first again completes an Hour of Service as an Eligible Employee.

(d) Notwithstanding the foregoing, an Eligible Employee shall not become an Active Participant hereunder unless and until he completes and delivers such appropriate enrollment form, including without limitation an election of eligible Funding Vehicle(s) for the investment of his Account, as the Township may require.

2.3. Cessation of Active Participation. An Active Participant shall become an inactive participant on the date he either has a Severance from Employment or otherwise ceases to be an Eligible Employee. He shall remain an inactive Participant until such time as the balance of his Account is distributed to him at which time he will then be considered a former Participant for all purposes of the Plan.

2.4. Reinstatement of Participation. An inactive or former Participant will recommence active participation in this Plan after being reemployed and/or reinstated as an Eligible Employee. Such active participation shall recommence on the dates set forth in Section 2.2.

2.5. Data. Each Employee shall furnish to the Township or Funding Agency such data as the Township or Funding Agency, as applicable, may consider necessary for the determination of the Employee's rights and benefits under the Plan and shall otherwise cooperate fully with the Township or Funding Agency in the administration of the Plan.

2.6. Forms. To become a Participant in the Plan, an Employee must submit such application and other forms as may be required in accordance with rules prescribed by the Township consistent with the requirements of the Trustee and/or Funding Agency. By becoming a Participant, each individual shall be deemed conclusively to have assented to the terms of the Plan and all amendments thereto. A valid and timely filed form shall remain effective until revoked in writing by the Participant and filed with the Township, the Trustee and/or Funding Agency in accordance with prescribed rules.

ARTICLE III Contributions and Credits to Accounts of Participants.

3.1. Plan Contributions.

(a) Subject to Section 3.5, for each Plan Year, the Employer may contribute a discretionary amount to the Account of each Active Participant, subject to Section 2.2(b). The discretionary Employer Contribution shall be allocated among the Accounts of Active Participants based on the relationship of an Active Participant's Compensation to the total Compensation of all Active Participants.

(b) Any forfeitures arising during the Plan Year shall first be used to reduce administrative expenses of the Plan, and any remaining forfeitures shall then be used to offset the Employer's future contributions to the Plan.

3.2. Timing of Contributions. Contributions for any Plan Year under this Article shall be made not later than the time (including any extensions thereof) prescribed by law for filing the Township's Federal informational tax return for the year for which it is made.

3.3. Fund. The Employer shall forward all contributions, as the Participant may from time to time direct, to:

(a) the Trust Fund for investment in one or more Funding Vehicles made available by the Trustee (or the Funding Agency associated with the Trustee) as the Participant may designate, in accordance with Section 12.7; and/or

(b) such Funding Agency(ies) as the Participant may designate, for investment in one or more Funding Vehicles made available by the Funding Agency in accordance with Section 12.7.

The contributions deposited by the Employer with the Funding Agency and/or the Trustee in accordance with this Article shall constitute a Fund held by that Funding Agency or Trustee for the benefit of Participants and their eligible beneficiaries under and in accordance with this Plan. No part of the principal or income of the Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of such Participants and their eligible beneficiaries (including necessary administrative costs); provided, that in the case of a contribution made by the Employer as a mistake of fact, or for which an intended tax deduction is disallowed or which is conditioned upon the initial qualification of the Plan under section 401(a) of the Code and such initial qualification cannot be obtained, the Employer shall be entitled to a refund of said contributions. Any such refund of contributions must be made within one year after payment of a contribution made as a mistake of fact, or within one year after disallowance of the tax deduction, to the extent of such disallowance, or within one year of the date on which the initial qualification of the Plan is denied by the Internal Revenue Service, as the case may be.

3.4. Participants' Accounts. The Trustee and each Funding Agency shall, with respect to assets within its custody, maintain separate Accounts for each Participant. As of the Valuation Date, any increase or decrease in the fair market value of Accounts established by the Trustee or Funding Agency under the Plan since the last adjustment under this Section, all

income credited under the Accounts during that period, and the Accounts' ratable share of administrative expenses, if any, paid from the Fund shall be proportionally credited to or deducted from the Accounts of Participants. To the extent Participants' Accounts are invested in more than one Funding Vehicle with the Trustee or Funding Agency, this Section shall apply separately to the portion of each Participant's Account(s) invested in each such Funding Vehicle.

3.5. Maximum Allocation. The provisions of this Section shall be construed to comply with section 415 of the Code.

(a) Notwithstanding anything in this Article to the contrary, in no event shall the sum of

(1) Employer contributions and any forfeitures allocated for any Limitation Year to any Active Participant under this and any other defined contribution plan maintained by the Township;

(2) all amounts allocated to any Participant to an individual medical account (within the meaning of Code section 415(1)(2)) which is part of a pension or annuity plan maintained by the Township; and

(3) all amounts derived from contributions paid or accrued that are attributable to post-retirement medical benefits allocated to a separate account of a Participant who is a key employee, as defined in section 419A(d)(3) of the Code, under a welfare benefit fund maintained by the Township;

(4) exceed the lesser of (i) \$49,000 (as adjusted in accordance with Section 415(d) of the Code) or (ii) one hundred percent (100%) of such Active Participant's Compensation for the Limitation Year.

(b) If the amount otherwise allocable to the Account of an Active Participant would exceed the amount described in Subsection (a) of this Section as a result of the reallocation of forfeitures, a reasonable error in estimating the Active Participant's compensation, or such other circumstances as permitted by law, such amount shall be held in a suspense account until the following Plan Year, at which time the amount held in suspense shall be allocated to the Accounts of all Active Participants to offset any contributions by the Employer required for such Plan Year.

ARTICLE IV **Loans.** Loans are not permitted under the Plan.

ARTICLE V Retirement and Death Benefits.

5.1. Normal Retirement. A Participant may retire on his Normal Retirement Date, and upon such retirement shall be entitled to have his Account paid to him or applied for his benefit, as provided in Article VI.

5.2. Early Retirement. A Participant may retire on his Early Retirement Date, and upon such retirement shall be entitled to have his Account paid to him or applied for his benefit, as provided in Article VI.

5.3. Late Retirement. Each Active Participant who continues as an Eligible Employee after his Normal Retirement Date shall participate in the Plan on the same basis as other Active Participants. When such a Participant has a Severance from Employment, his Account shall be paid to him or applied for his benefit, as provided in Article VI.

5.4. Death. If a Participant dies while he is an Employee, he shall attain a nonforfeitable interest in his Account (if he has not already attained a nonforfeitable interest pursuant to Section 9.1), and his Account shall be paid to, or applied for the benefit of, his beneficiary, as provided in Article VI.

5.5. Severance from Employment. A Participant who has a Severance from Employment for reasons other than death shall have his nonforfeitable interest in his Account paid to him or applied for his benefit, as provided in Article VI.

ARTICLE VI Form of Retirement and Death Benefits.

6.1. General. The interest of each Participant in the Fund shall be distributed in the manner, in the amount, and at the time provided in this Article, except in the event of the termination of the Plan.

6.2. Severance from Employment. A Participant who has a Severance from Employment for reasons other than death shall have his nonforfeitable interest in his Account paid to him or applied for his benefit in accordance with the provisions of this Article.

6.3. Death. If a Participant dies before his Benefit Commencement Date, or if the Participant dies after his Benefit Commencement Date and before his entire nonforfeitable interest in his Account has been paid to him, his remaining nonforfeitable interest in his Account shall be paid to, or applied for the benefit of, his beneficiary in accordance with the provisions of this Article.

6.4. Total Disability. If a Participant who is an Employee suffers a Total Disability and has a Severance from Employment due to his Total Disability, his Account shall be paid to him or applied for his benefit in accordance with the provisions of this Article following the determination of his Total Disability and his Severance from Employment.

6.5. Timing of Distribution. Any Participant who has a Severance from Employment for any reason other than death shall be entitled to receive his nonforfeitable interest in his Account held by the Trustee or Funding Agency, pursuant to the following rules:

(a) (1) If the Participant has not attained his Normal Retirement Date, his Benefit Commencement Date shall be the earliest practicable date following the Valuation Date coincident with or next following his Severance from Employment, except that, if the Participant does not consent to such distribution by filing an election for this purpose with the Trustee or Funding Agency, as applicable, distribution of his Account shall commence on any later date elected by the Participant that is not later than his Normal Retirement Date, at which time his nonforfeitable interest held by the Trustee or Funding Agency, as applicable, shall be paid to him, unless the Participant elects to defer payment to a date not later than his Required Beginning Date in accordance with Subsection (b). A Participant's election to receive payment prior to his Normal Retirement Date may be made no earlier than 180 days prior to the Benefit Commencement Date elected by the Participant.

(2) The Trustee or Funding Agency, as applicable, shall inform the Participant who is subject to this Subsection (a) of his right to defer distribution. Such notice shall be furnished not less than 30 days nor more than 180 days prior to the date of any distribution that occurs prior to his Normal Retirement Date, except that such notice may be furnished less than 30 days prior to the date of distribution if (A) the Participant is informed that the Participant has the right to a period of at least 30 days after receiving such notice to consider the decision whether to elect a distribution and the mode in which he desires such distribution to be made, and (2) the Participant, after receiving such notice, affirmatively elects a distribution.

(b) Notwithstanding the foregoing, the Participant's Benefit Commencement Date shall be no later than the 60th day following the close of the Plan Year in which the Participant attains his Normal Retirement Age or has a Severance from Employment, whichever occurs last, unless the Participant elects to defer his Benefit Commencement Date to a later date. In no event, however, should a Participant's Benefit Commencement Date be later than his Required Beginning Date.

(c) If a distribution commences after a Participant's Benefit Commencement Date, any payments distributable in the form of an annuity shall be made retroactive to such date.

(d) Notwithstanding anything in the Plan to the contrary, the form and the timing of all distributions under the Plan shall be in accordance with final regulations issued by the Department of the Treasury under section 401(a)(9) of the Code, including the incidental death benefit requirements of section 401(a)(9)(G) of the Code, as incorporated in Article VII hereunder.

6.6. Small Benefit Payments. If a Participant has a Severance from Employment for any reason other than death and the Participant's Account Balance under the Plan is:

(a) less than \$1,000, the Plan Administrator may distribute the Participant's Account Balance to the Participant in a single sum cash payment.

(b) greater than \$1,000 but less than or equal to \$5,000, and the Participant does not elect to have such distribution paid directly to him in cash or to an eligible retirement plan, the Plan Administrator may remit the distribution in a direct rollover to an individual retirement arrangement designated by the Plan Administrator.

6.7. Mode of Distribution of Retirement Benefits.

(a) The nonforfeitable interest in a Participant's Account shall be paid to the Participant or Participant's Beneficiary in the form of a single sum payment.

6.8. Death Benefits.

(a) A beneficiary entitled to benefits under Section 6.4 upon the death of a Participant may elect in writing to the Trustee or Funding Agency to have the Participant's nonforfeitable interest in his Account in the custody of such Trustee or Funding Agency paid in the form of a single sum payment.

(b) Payment of death benefits payable under Section 6.3 shall commence as soon as practicable following the death of the Participant; provided, however, that if the Participant's death occurs prior to his Required Beginning Date, an individual beneficiary may, if permitted by the Trustee or Funding Agency, elect to defer his Benefit Commencement Date, but not beyond December 31 of the calendar year following the year of the Participant's death, unless the beneficiary is the Participant's spouse, in which case not beyond December 31

of the later of (1) the calendar year following the year of the Participant's death or (2) the calendar year in which the Participant would have attained Age 70½.

6.9. Beneficiary Designation.

(a) Except as provided in Subsection (c) of this Section, a Participant may designate the beneficiary or beneficiaries who shall receive, on or after his death, his interest in the Fund. Such designation shall be made by executing and filing with Trustee or Funding Agency a written instrument in such form as may be prescribed by it consistent with any applicable requirements of the Township or this Plan. Except as provided in Subsection (c) of this Section, the Participant may also revoke or change, at any time and from time to time, any beneficiary designations previously made. Such revocations and/or changes shall be made by executing and filing with the Trustee or Funding Agency a written instrument in such form as may be prescribed by it consistent with any applicable requirements of the Township or this Plan. If a Participant names a trust as beneficiary, a change in the identity of the trustees or in the instrument governing such trust shall not be deemed a change in beneficiary.

(b) No designation, revocation, or change of beneficiaries shall be valid and effective unless and until filed with the Trustee or Funding Agency, as applicable.

(c) A Participant who does not establish to the satisfaction of the Trustee or Funding Agency that he has no spouse may not designate someone other than his spouse to be his beneficiary under Section 6.8 unless:

(1) such spouse (or the spouse's legal guardian if the spouse is legally incompetent) (i) executes a written instrument whereby such spouse consents not to receive such benefit and consents either (A) to the specific beneficiary or beneficiaries designated by the Participant; or (B) to the Participant's right to designate any beneficiary without further consent by the spouse; and (ii) (A) such instrument acknowledges the effect of the election to which the Spouse's consent is being given; and (B) such instrument is witnessed by a Plan representative or notary public;

(2) the Participant (i) establishes to the satisfaction of the Trustee or Funding Agency that his spouse cannot be located; or (ii) furnishes a court order to the Trustee or Funding Agency establishing that the Participant is legally separated or has been abandoned (within the meaning of local law), unless a qualified domestic relations order pertaining to such Participant provides that the spouse's consent must be obtained; or

(3) the spouse has previously given consent in accordance with this Subsection and consented to the Participant's right to designate any beneficiary without further consent by the spouse. The consent of a spouse in accordance with this Subsection (c) shall not be effective with respect to other spouses of the Participant prior to the Participant's Benefit Commencement Date, and an election to which Paragraph (2) of this Subsection (c) applies shall become void if the circumstances causing the consent of the spouse not to be required no longer exist prior to the Participant's Benefit Commencement Date.

(d) If a Participant has no beneficiary under Subsection (a) or (b) of this Section, if the Participant's beneficiary(ies) predecease the Participant, or if the beneficiary(ies) cannot be located by the Trustee or Funding Agency, the interest of the deceased Participant shall be paid to the Participant's estate, or otherwise as may be provided by the Trustee or Funding Agency with respect to amounts within its custody.

6.10. Rollover of Account to Other Plan.

(a) If a Participant who is entitled to receive a distribution from the Plan, other than a distribution described in Subsection (d) below, directs the Trustee or Funding Agency to transfer all or a portion (not less than \$500) of the amounts within its custody to be distributed directly to:

- (1) an individual retirement account described in section 408(a) of the Code;
- (2) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract);
- (3) a Roth individual retirement plan described in section 408A of the Code; or
- (4) a qualified defined contribution retirement plan described in section 401(a) of the Code an annuity contract described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(b) In addition, if a Participant's surviving spouse is entitled to receive a distribution from the Plan under Section 6.4, such surviving spouse may direct the Trustee or Funding Agency to transfer all or a portion (not less than \$500) of the amounts within its custody to be distributed directly to:

- (1) an individual retirement account described in section 408(a) of the Code;
- (2) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract);
- (3) a Roth individual retirement plan described in section 408A of the Code; or
- (4) a qualified trust described in section 401(a) of the Code, an annuity contract described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(c) The Participant, spouse or former spouse must specify the name of the plan to which the Participant, spouse or former spouse wishes to have the amount transferred, plus supply such other information as may be requested by the Trustee or Funding Agency, as applicable, on a form and in a manner prescribed by the Trustee or Funding Agency consistent with any requirements of the Township or the Plan.

(d) Subsections (a) and (b) shall not apply to the following distributions:

(1) any distribution which is one of a series of substantially equal payments (not less frequently than annually) over either (A) a period of 10 years or more, or (B) a period equal to the life or life expectancy of the Participant or the joint lives or life expectancy of the Participant and his beneficiary;

(2) that portion of any distribution that is required to be distributed to the Participant by the minimum distribution rules of section 401(a)(9) of the Code;

(3) any distribution which is made upon the hardship of the Participant, within the meaning of section 402(c)(4)(C) of the Code; or

(4) such other distributions as may be exempted by applicable statute or regulation from the requirements of section 401(a)(31) of the Code.

(e) Subsections (a), (c) and (d) shall apply to a Participant's spouse or former spouse who is an alternate payee of the Participant pursuant to a Qualified Domestic Relations Order in the same manner and under the same conditions as such Subsections apply to a Participant.

6.11. Special Military Distribution. Notwithstanding any provision of this Plan to the contrary, a Participant shall be treated as having had a Severance from Employment during any period the Participant is performing service in the uniformed services while on active duty for a period of more than 30 days. If a Participant elects to receive such a distribution, the Participant may not have a contribution made to this Plan during the six-month period following the distribution.

ARTICLE VII Minimum Distribution Requirements.

7.1. Requirements of Treasury Regulations Incorporated. All distributions required under this Article will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Code.

7.2. Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

7.3. Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(b) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 7.3, other than Section 7.3(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 7.3 and Section 7.8, unless Section 7.3(d) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 7.3(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 7.3(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 7.3(a)), the date distributions are considered to begin is the date distributions actually commence.

7.4. Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with this Article VII. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations.

7.5. Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(a) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(b) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

7.6. Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Article VII beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

7.7. Death On or After Date Distributions Begin.

(a) *Participant Survived by Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

(1) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(b) *No Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year

after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

7.8. Death Before Date Distributions Begin.

(a) *Participant Survived by Designated Beneficiary.* If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 4.1.

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

(c) *Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.* If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 7.3(a), this Section 7.8 will apply as if the surviving spouse were the Participant.

ARTICLE VIII Rollover Contributions.

8.1. Rollover Contributions.

(a) Subject to the restrictions set forth in Subsection (b), an Active Participant may transfer or have transferred directly to the Fund, all or a portion of his interest in the following types of plans:

(1) a qualified plan described in section 401(a) and 403(a) of the Code, excluding after-tax employee contributions;

(2) an annuity contract described in section 403(b) of the Code, excluding after-tax employee contributions;

(b) The Trustee or Funding Agency shall not accept a distribution from any other qualified retirement plan or from an individual retirement account unless the following conditions are met:

(1) (A) the distribution being transferred must come directly from the fiduciary of the plan of the former employer, or

(B) it must come from the Participant within 60 days after the Participant receives a distribution from such other qualified retirement plan or individual retirement account and must comply with the provisions of section 402(c), 403(a)(4), or 408(d)(3) of the Code, whichever applies; and

(2) the interest being transferred shall not include assets from any plan to the extent that the Township, Trustee or Funding Agency determines that the transfer of such interest (A) would impose upon this Plan requirements as to form of distribution that would not otherwise apply hereunder or (B) would otherwise result in the elimination of protected benefits under section 411(d)(6) of the Code.

8.2. Vesting and Distribution of Rollover Accounts.

(a) The distributions transferred by or for a Participant from another qualified retirement plan or from an individual retirement account shall be credited to the Participant's Rollover Account. A Participant shall be fully vested at all times in his Rollover Account.

(b) A Participant's Rollover Account may be distributed in any amount and at any time, as requested by the Participant in writing, and as permitted under the Funding Vehicles in which the Participant has invested such account.

ARTICLE IX Vesting.

9.1. Nonforfeitable Amounts.

(a) A Participant shall have a nonforfeitable interest in his Account (other than his Rollover Account, which is always fully vested), in accordance with the following schedule:

Year(s) of Service	Vesting Percentage
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or greater	100%

Notwithstanding the foregoing, a Participant shall have a 100% nonforfeitable interest in his Account upon his attainment of his Normal Retirement Age, Early Retirement Age, Total Disability or death while an Employee.

9.2. Year of Vesting Service. For the purposes of this Article, a Participant shall be credited with a Year of Vesting Service for each Plan Year during which he is credited with at least 1,000 Hours of Service.

9.3. Break in Service.

(a) An Employee's Years of Vesting Service completed after a Break in Service are not counted for purposes of increasing the vested percentage attributable to service performed before the Break in Service, unless the Employee is reemployed within 5 years.

9.4. Forfeitures and Restoration of Forfeited Amounts following Reemployment.

(a) A Participant who has had a Severance from Employment before attaining a nonforfeitable interest in his Account shall be considered as having received a distribution of his zero percent interest in his Account, at which time he shall forfeit his Account. Notwithstanding the foregoing, if the Participant thereafter completes an Hour of Service before he incurs his fifth consecutive Break in Service, the amount so forfeited shall be restored to his new Account. The Participant shall attain a nonforfeitable interest in his restored Account and in subsequent contributions made on his behalf in accordance with the provisions of this Article.

(b) Amounts restored under Subsection (a) shall be charged against the following amounts in the following order of priority: (1) forfeitures for the Plan Year and (2) contributions to the Plan for the Plan Year. If the foregoing amounts are insufficient, the Township or any Employer, by whom such Participant is employed, shall make any additional contribution necessary to accomplish the restoration.

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ARTICLE X Treatment of Returning Veterans.

10.1. Applicability and Effective Date. The rights of any Returning Veteran who resumes employment with the Employer on or after December 12, 1994, shall be modified as set forth in this Article.

10.2. Eligibility to Participate. For purposes of Section 2.2;

(a) A Returning Veteran who was an Eligible Employee immediately prior to his Qualified Military Service shall be deemed to have remained an Eligible Employee throughout his Qualified Military Service.

(b) A Returning Veteran who would have become an Eligible Employee during the period of his Qualified Military Service, but for the resulting absence from employment, shall be deemed to have become an Eligible Employee as of the date he would have become an Eligible Employee if he had not entered into Qualified Military Service.

10.3. Vesting Credit. A Returning Veteran's Years of Vesting Service shall be determined under Article IX, except that his period of Qualified Military Service shall not be treated as a Period of Severance. If the Returning Veteran had been an Active Participant immediately prior to his period of Qualified Military Service, he will be deemed, for vesting purposes, to be an Active Participant during his period of Qualified Military Service.

10.4. Restoration of Employer Contributions. The Employer shall contribute an amount equal to the contributions that would have been allocated to a Returning Veteran's Account, but for his absence for Qualified Military Service. Such Employer contributions shall not include the earnings that would have accrued such amount.

10.5. Determination of Compensation. For purposes of determining the amount of any Employer contributions under Section 10.4, and for applying the limits of Section 3.6, a Participant's Compensation during any period of Qualified Military Service shall be deemed to equal either:

(a) the Compensation he would have received but for such Qualified Military Service, based on the rate of pay he would have received from the Employer; or

(b) if the amount described in (a) above is not reasonably certain, his average Compensation from the Employer during the 12-month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service). Such amount shall be adjusted as necessary to reflect the length of the Participant's Qualified Military Service.

10.6. Application of Certain Limitations. For purposes of applying the limitations of Section 3.6, any contributions described in Section 10.4 shall be treated as contributions for the Limitation Year to which they relate, rather than the Limitation Year in which they are actually made.

10.7. Death Benefits. In the event a Participant dies while performing Qualified Military Service, the Survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under this Plan had the Participant resumed and then terminated employment on account of death.

10.8. Administrative Rules and Procedures. The Township shall establish such rules and procedures as it deems necessary or desirable to implement the provisions of this Article, provided that they are not in violation of the Uniformed Services Employment and Reemployment Rights Act of 1994, any regulations thereunder, or any other applicable law.

ARTICLE XI Administration.

11.1. Administrator. The Township is the administrator of the Plan.

11.2. Delegation of Responsibilities. The Township will administer the Plan with respect to required administration for which the Trustee or Funding Agency is not responsible. The Township may, however, delegate to any person or entity, pursuant to action by or on behalf of the Township's Board of Supervisors, any powers or duties of the Township under the Plan; and references herein to the "Township" shall apply instead to its delegate. Any action by the Township assigning any of its responsibilities to specific persons who are all trustees, officers, or employees of the Township shall not constitute delegation of the Township's responsibility but rather shall be treated as the manner in which the Township has determined internally to discharge such responsibility.

11.3. Rules of Administration. The Township shall adopt such rules for administration of the Plan as it considers desirable, provided they do not conflict with the Plan, and, in the Township's sole discretion, it may construe the Plan, correct defects, supply omissions and reconcile inconsistencies and resolve ambiguities to the extent necessary to effectuate the Plan and such action shall be final and binding on all parties.

11.4. Services to the Plan. The Township may contract for legal, actuarial, investment advisory, medical, accounting, clerical and other services to carry out the Plan. The costs of such services and other administrative expenses shall be paid by the Township.

11.5. Funding Policy. From time to time the Township shall review and determine the funding policy of the Plan, with the advice of such experts as it deems appropriate.

11.6. Claims Procedure. Each of the Township and the Trustee and Funding Agency(ies) shall adopt a procedure for the rendering of decisions on claims for benefits, and the appeal of claims which are denied, with respect to those areas of decision-making under this Plan for which the Township, the Trustee or Funding Agency, as applicable, is responsible.

(a) If the Township denies, in whole or in part, a claim for benefits by a Participant or beneficiary with respect to:

- (1) an Employee's right to participate in the Plan;
- (2) an individual's status as an Active Participant;
- (3) the contribution of amounts to this Plan with respect to an Active Participant by the Township;
- (4) the determination of the Employee's Years of Vesting Service and/or his eligibility to receive distribution of his Account following a Severance from Employment or;
- (5) any other action taken by the Township pursuant to its enumerated responsibilities under the Plan,

the Township shall furnish notice of the denial to the claimant, setting forth:

- (A) the specific reasons for the denial;
- (B) specific reference to the pertinent Plan provisions on which the denial is based;
- (C) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (D) a description of the Plan's review procedures and the time limits applicable to such procedures.

Such notice shall be forwarded to the claimant within 90 days of the Township's receipt of the claim; provided, however, that in special circumstances the Township may extend the response period for up to an additional 90 days, in which event it shall notify the claimant in writing of the extension, and shall specify the reason or reasons for the extension.

(b) Within 60 days of receipt of a notice of claim denial, a claimant or his duly authorized representative may petition the Township in writing for a full and fair review of the denial. The claimant or his duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits to the Township. The Township shall review the denial and shall communicate its decision and the reasons therefor to the claimant in writing within 60 days of receipt of the petition, after taking into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered on the initial determination; provided, however, that in special circumstances the Township may extend the response period for up to an additional 60 days, in which event it shall notify the claimant in writing prior to the commencement of the extension. The appeals procedure set forth in this Subsection (b) (modified, as applicable, by Subsection (c)) shall be the exclusive means for contesting a decision made by the Township denying benefits under the Plan.

(c) Notwithstanding the foregoing, in the event of a claim relating to the determination of whether a Participant has a Total Disability for purposes of any benefit under the Plan, the Township shall administer the claims procedures in accordance with the following special rules:

(1) The Township shall notify the claimant of the denial of any claim for benefits upon its determination that the claimant has, or no longer has, a Total Disability within 45 days of the Township's receipt of the claim; provided however that in special circumstances beyond the control of the Township the Township may extend the response period, no more than two times, for up to an additional 30 days, in which case it shall notify the claimant in writing of the extension, and shall specify the reason or reasons for the extension. The notice of extension shall, as applicable, specifically explain the standards on

which entitlement to a disability-related benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve the issues. The claimant shall be afforded at least 45 days within which to provide the specified information.

(2) In the event of an adverse benefit determination, the notice to the claimant shall include, in addition to the information described elsewhere in this Section 9.6, the following information:

(A) If an internal rule, guideline, protocol, or other similar criteria was relied upon in making the adverse determination, either the specific rule, or a statement that such rule, guideline, protocol, or other similar criteria was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol or other criteria will be provided free of charge to the claimant upon request.

(B) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge.

(3) In the event the denial of a disability-related claim is appealed, the Administrator shall follow the procedures set forth in Subsection (b), except that "45 days" shall be substituted for "60 days."

(d) Any denial of a claim for benefits by the Trustee or Funding Agency (e.g. relating to the available forms of distribution, the identity of the Participant's beneficiary, investments in available Funding Vehicles and other matters within the enumerated responsibilities of the Trustee or Funding Agency under this Plan) may be appealed in accordance with the claims procedure established by the Trustee or Funding Agency for this purpose.

11.7. Non-Discriminatory Operation. All decisions and designations by the Township under the Plan shall be made in a non-discriminatory manner with respect to persons similarly situated.

11.8. Responsibility for Administration. Neither the Township nor any of its trustees, officers or employees shall be liable for any loss due to its error or omission in administration of the Plan unless the loss is due to the failure of the Township or such trustee, officer or employee to exercise the legally-required care, skill, prudence and diligence under the circumstances then prevailing.

11.9. Indemnification. The administrator of the Plan and any other person who is an employee or trustee or director of the Township shall be indemnified and held harmless by the Township against and with respect to all damages, losses, obligations, liabilities, liens, deficiencies, costs and expenses, including without limitation, reasonable attorney's fees and other costs incident to any suit, action, investigation, claim or proceedings to which he may be a party by reason of his performance of administrative functions and duties under the Plan, except

(in relation to matters as to which he shall be held liable for an act of willful misconduct in the performance of his duties. The foregoing right to indemnification shall be in addition to such other rights as the administrator of the Plan or other person may enjoy as a matter of law or by reason of insurance coverage of any kind. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the administrator of the Plan or other person may be entitled pursuant to the by-laws of the Township.

ARTICLE XII The Fund.

12.1. Designation of Funding Agency. The Township shall name and designate the available Funding Agencies under the Plan. The Township in its discretion may remove the Funding Agency and designate a successor Funding Agency or Trustee. All of the assets of the Plan held by the Funding Agency shall be so held for use in accordance with this Plan in providing for the benefits hereunder.

12.2. Designation of Trustee. The Township shall name and designate a Trustee and shall enter into a Trust Agreement. The Township in its discretion may amend the Trust Agreement, remove the Trustee, and designate a successor Trustee or Funding Agency, as provided in the Trust Agreement. All of the assets of the Plan held by the Trustee shall be so held for use in accordance with this Plan in providing for the benefits hereunder.

12.3. Reversion of Right to Designate Funding Vehicles. The Township reserves the right to designate from among the funding vehicles offered by the Trustee or Funding Agency, the Funding Vehicles in which Participants shall be permitted to invest their Accounts, and to change the approved Funding Vehicles from time to time. The Township shall be under no obligation to designate approved Funding Vehicles, and in the absence of such designation Participants may invest their Accounts in any of the Funding Vehicles that the Trustee or Funding Agency may choose to make available to participants in a tax-qualified retirement plan.

12.4. Non-Reversion of Contributions. Prior to the satisfaction of all liabilities under the Plan in the event of termination of the Plan, it shall be impossible for any part of the Township's contributions to revert to the Township, or to be used for, or diverted to, any purpose other than for the exclusive benefit of Active Participants and their beneficiaries, except that the Township may be entitled to a refund of contributions under Section 3.3.

12.5. Source of Payments. All benefits under the Plan shall be paid exclusively by the Funding Agency and/or the Trustee, and the Township shall have no duty to make any contributions except those provided in Article III.

12.6. Transfers Between Funding Agencies. A Participant may transfer any portion of his Account with a Funding Agency to another Funding Agency or the Trust Fund, or from the Trust Fund to a Funding Agency, provided that the transfer is made in the manner and time prescribed by each applicable Funding Agency or Trustee and subject to any restrictions, limitations and/or charges imposed by the Funding Agency or the Trustee.

12.7. Investments.

(a) Except as provided in Subsection (e) of this Section, the Trustee or Funding Agency shall invest the Employer's contributions paid to it and income thereon in such Funding Vehicles as each Participant may select in accordance with this Section. Such investments acquired in the manner prescribed by the Plan shall be held by or for the Trustee or Funding Agency.

(b) Except as provided in Subsection (e) of this Section, a Participant shall elect one or more of the Funding Vehicles in which his Accounts shall be invested, and the percentage thereof that shall be invested in each Funding Vehicle selected. A Participant may allocate Plan Contributions made on his behalf pursuant to Section 3.1 to one or more of the Trustee or Funding Agencies, for investment in one or more of the Funding Vehicles offered by such Trustee or Funding Agency in any whole number percentages that equal 100%, subject to any limitations imposed by the Funding Agency or Trustee with respect to a Funding Vehicle. Such allocation shall be made by filing a written election with the Township at the time an Eligible Employee becomes an Active Participant. Thereafter, the Participant may, from time to time, file a new election regarding the allocation of his Plan Contributions, which will be implemented as soon as practicable, generally by the first Pay Period beginning in the calendar month next following the date the Participant's election form for this purpose is received by the Township. If the Township is notified that a Participant has failed to make a valid election pursuant to this Section, no contributions shall be permitted to be made unless and until the Participant makes a valid investment election.

(c) A Participant can transfer funds accumulated under the Plan among the available Funding Vehicles, provided that the transfer is made in the time and manner prescribed by the Trustee and/or Funding Agency(ies) and subject to any applicable restrictions, time or dollar limits or charges as may be imposed by a Trustee or Funding Agency. Transfers are permitted to any Funding Vehicle made available by the Trustee or Funding Agency to Plan Participants, subject only to the requirements or limitations imposed on the Trustee or Funding Agency, unless the Township has exercised its authority pursuant to Section 12.3 to designate approved Funding Vehicles.

(1) Any Fund transfers requested by Participants consistent with the foregoing are authorized under this Plan. Provided the transfer request is to an available Funding Vehicle, the Trustee or Funding Agency will process transfer requests without seeking the Township's authorization or inquiring whether the request meets any other conditions the Township may impose on such transfers.

(d) The amounts contributed by all Participants to each Funding Vehicle shall be commingled for investment purposes.

(e) The Trustee and Funding Agency may hold assets of the Fund and make distributions therefrom in the form of cash without liability for interest, if for administrative purposes it becomes necessary or practical to do so.

(f) Neither the Township nor the Trustee or Funding Agency shall be under any duty or obligation to review or to question any investment directions by a Participant or beneficiary as provided in this Section 11.8. Neither the Township nor the Trustee or Funding Agency shall have any duty or obligation to review the portfolio of such directed investments with respect to prudence or diversification. The Trustee or Funding Agency shall be fully protected in acting or omitting to act in accordance with or in the absence of the written directions of the party directing investments, and shall be under no liability for any loss of any kind which may result by reason of any action taken or omitted by it in good faith in accordance with any such written direction, or by reason of inaction because of the absence of such written

(direction. The Trustee or Funding Agency shall not be deemed to have any responsibility to manage or control any directed investments upon the resignation, removal or incapacity of the party responsible for such investments unless and until it has been notified in writing by the Administrator that the Trustee or Funding Agency is to be responsible for investments. The Trustee shall not be liable for any losses resulting from the disposition of any directed investment, or for the holding of any illiquid or unmarketable securities or any other directed investment if Trustee is unable to dispose of such investment or if an orderly liquidation of such investment is impractical under prevailing conditions.

ARTICLE XIII Amendment and Termination.

13.1. Amendment. The Township may amend the Plan by or pursuant to a resolution of its Board of Supervisors. Notwithstanding the foregoing, the Township Manager of the Township has the authority to make amendments to the Plan which reflect changes which are ministerial or technical in nature and do not significantly impact the costs or objectives of the Plan.

13.2. Termination. The Township may terminate or partially terminate the Plan by or pursuant to a resolution of the Board of Supervisors. Any discontinuance or modification of the Plan shall not adversely affect the benefits accrued by Participants prior to the date of discontinuance or modification. If the Plan is terminated, each Participant shall receive the vested benefits purchased on his behalf to the date of termination from the Trustee and/or Funding Agency. Thereafter, none of the Participants, the Township nor any other Employer shall have any liability or obligation to make any further contributions under the Plan.

Any amendment or termination of the Plan shall become effective as of the date designated by the Board of Supervisors of the Township, (or the Township Manager, as applicable).

13.3. Merger or Consolidation. In the event of any merger or consolidation of the Plan with or transfer in whole or in part of the assets and liabilities of the Plan to another plan maintained or to be established for the benefit of all or some of the Participants of this Plan, the assets applicable to such Participants shall be transferred to the other plan only if:

(a) each Participant would (if either this Plan or the other plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if this Plan had then terminated); and

(b) resolutions of the Board of Supervisors of any new or successor employer shall authorize such transfer; and, in the case of the new or successor employer, its resolution includes an assumption of liabilities with respect to such Participants' inclusion in its plan; and

(c) such other plan meets the applicable requirements of the Internal Revenue Code.

ARTICLE XIV General Provisions.

14.1. No Employment Rights. Neither the action of the Township in establishing the Plan, nor any provisions of the Plan, nor any action taken by the Township or any other Employer shall be construed as giving to any Employee the right to be retained in the employ of the Township, or any right to payment except to the extent of the benefits provided in the Plan to be paid from the Fund.

14.2. Governing Law. Except to the extent superseded by any federal law, all questions pertaining to the validity, construction, and operation of the Plan shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.

14.3. Spendthrift Clause. No benefit payable at any time under this Plan and no interest or expectancy herein shall be anticipated, assigned, or alienated by any Participant or beneficiary, or subject to attachment, garnishment, levy, execution, or other legal or equitable process, except for (1) a Federal tax levy made pursuant to section 6331 of the Code, (2) any benefit payable pursuant to a Qualified Domestic Relations Order or (3) an offset of a Participant's benefit for certain judgments or settlements described in section 401(a)(3)(C) of the Code. Any attempt to alienate or assign a benefit hereunder, whether currently or hereafter payable, shall be void. The Trustee or Funding Agency shall review any domestic relations order to determine whether it is qualified within the meaning of section 414(p) of the Code. An order shall not be qualified unless it complies with all applicable provisions of the Plan concerning mode of payment and manner of elections. Notwithstanding the preceding sentence and any restrictions on timing of distributions and withdrawals under the Plan, an order may provide for distribution at any time permitted under section 414(p)(10) of the Code.

14.4. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provisions determined to be void.

14.5. Withholding. The Township, Trustee or Funding Agency, as applicable, shall have the right to withhold any and all state, local, and Federal taxes which may be withheld in accordance with applicable law.

14.6. Headings. The headings of articles, sections, and subsections of this Plan have been inserted for convenience of reference. They do not constitute any part of this Plan and are not to be considered in the construction thereof.

14.7. Missing Persons. Neither the Township nor the Trustee or Funding Agency shall be obligated to search for or ascertain the whereabouts of any individual entitled to benefits under the Plan. Any individual entitled to benefits under the Plan who does not file a timely claim for benefits will be allowed to file a claim at a later date, and payment of benefits will commence after the later date, except that, in the event the Trustee or Funding Agency is satisfied that a Participant has no spouse or that a Participant's spouse cannot be located as described in Section 6.7, and the Participant is in fact married or the spouse is later located,

whichever is applicable, such spouse shall not be deemed an individual entitled to benefits under the Plan.

14.8. Incapacity. If the Administrator, or Trustee or Funding Agency, deems any Participant or beneficiary who is entitled to receive payments hereunder incapable of receiving or disbursing the same by reason of Age, illness, infirmity, or incapacity of any kind, such payments may be applied directly for the comfort, support, and maintenance of such Participant, or to pay the same to any responsible person caring for the Participant who is determined by the Administrator, Trustee or Funding Agency to be qualified to receive and disburse such payments for the Participant's benefit; and the receipt of such person shall be a complete acquittance for the payment of the benefit. Payments pursuant to this Section shall be complete discharge to the extent thereof of any and all liability of the Township, the Administrator, the Trustee, the Funding Agency and the Fund.

Executed this ____ day of _____, 2024.

LIMERICK TOWNSHIP, MONTGOMERY
COUNTY, COMMONWEALTH OF
PENNSYLVANIA

By: _____

Title: _____