

SUPPLEMENTAL RETIREMENT PENSION PLAN
FOR EMPLOYEES OF THE
JEFFERSON COUNTY PUBLIC SCHOOL DISTRICT R-1

Amended and Restated, January 1, 2007

**SUPPLEMENTAL RETIREMENT PENSION PLAN
FOR EMPLOYEES OF THE
JEFFERSON COUNTY PUBLIC SCHOOL DISTRICT R-1**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| ARTICLE 1. DEFINITIONS | 1 |
| ARTICLE 2. MEMBERSHIP | 5 |
| 2.01 MEMBERSHIP REQUIREMENTS | 5 |
| 2.02 EVENTS AFFECTING MEMBERSHIP | 5 |
| 2.03 MEMBERSHIP UPON REEMPLOYMENT | 6 |
| ARTICLE 3. SERVICE | 7 |
| 3.01 CREDITED SERVICE | 7 |
| ARTICLE 4. ELIGIBILITY FOR AND AMOUNT OF BENEFITS..... | 8 |
| 4.01 NORMAL RETIREMENT | 8 |
| 4.02 LATE RETIREMENT | 9 |
| 4.03 EARLY RETIREMENT | 9 |
| 4.04 DEFERRED VESTED RETIREMENT | 10 |
| 4.05 DEATH BENEFITS | 11 |
| 4.06 MAXIMUM BENEFIT LIMITATION..... | 12 |
| 4.07 TRANSFERS | 15 |
| ARTICLE 5. PAYMENT OF PENSIONS | 16 |
| 5.01 AUTOMATIC FORM OF PAYMENT | 16 |
| 5.02 OPTIONAL FORMS OF PAYMENT | 16 |
| 5.03 ELECTION OF BENEFITS | 18 |
| 5.04 COMMENCEMENT OF PAYMENTS | 20 |
| 5.05 DISTRIBUTION LIMITATION | 21 |
| 5.06 DIRECT ROLLOVER OF CERTAIN DISTRIBUTIONS | 21 |
| 5.07 SPECIAL PAYMENT PROVISIONS | 23 |
| ARTICLE 6. CONTRIBUTIONS..... | 26 |
| 6.01 BOARD’S CONTRIBUTIONS | 26 |
| 6.02 RETURN OF CONTRIBUTIONS | 26 |
| ARTICLE 7. ADMINISTRATION OF PLAN | 28 |
| 7.01 APPOINTMENT OF RETIREMENT COMMITTEE..... | 28 |
| 7.02 DUTIES OF RETIREMENT COMMITTEE..... | 29 |
| 7.03 MEETINGS | 30 |
| 7.04 ACTION OF MAJORITY | 30 |
| 7.05 COMPENSATION..... | 30 |
| 7.06 ESTABLISHMENT OF RULES | 30 |
| 7.07 PRUDENT CONDUCT | 31 |

TABLE OF CONTENTS
(Continued)

| | | |
|--------------------|---|-----------|
| 7.08 | MAINTENANCE OF ACCOUNTS | 31 |
| 7.09 | SERVICE IN MORE THAN ONE FIDUCIARY CAPACITY | 31 |
| 7.10 | APPOINTMENT OF INVESTMENT MANAGER | 31 |
| 7.11 | EXPENSES OF ADMINISTRATION | 32 |
| 7.12 | LIMITATION OF LIABILITY | 33 |
| ARTICLE 8. | MANAGEMENT OF FUNDS..... | 34 |
| 8.01 | FUNDING AGENT | 34 |
| 8.02 | EXCLUSIVE BENEFIT RULE..... | 34 |
| ARTICLE 9. | GENERAL PROVISIONS | 37 |
| 9.01 | CONDITIONS OF EMPLOYMENT NOT AFFECTED BY PLAN | 37 |
| 9.02 | FACILITY OF PAYMENT..... | 37 |
| 9.03 | INFORMATION..... | 38 |
| 9.04 | PREVENTION OF ESCHEAT | 38 |
| 9.05 | CONSTRUCTION | 39 |
| ARTICLE 10. | AMENDMENT, MERGER AND TERMINATION..... | 40 |
| 10.01 | AMENDMENT OF PLAN | 40 |
| 10.02 | MERGER, CONSOLIDATION, OR TRANSFER | 40 |
| 10.03 | TERMINATION OF PLAN | 41 |

**SUPPLEMENTAL RETIREMENT PENSION PLAN
FOR EMPLOYEES OF THE
JEFFERSON COUNTY PUBLIC SCHOOL DISTRICT R-1**

ARTICLE 1. DEFINITIONS

- 1.01 “**Accrued Benefit**” means, as of any date of determination, the normal retirement benefit amount computed under Section 4.01(b) in the form of a life only annuity, based on the Member’s Compensation and Credited Service to August 31, 1999.
- 1.02 “**Associations**” means the groups representing specific classes of employees of the District, which shall be the Jefferson County Education Association (JCEA) representing certified employees, the Classified School Employees Association (CSEA) representing classified employees, and the Jefferson County Administrators Association (JCAA) representing administrators.
- 1.03 “**Beneficiary**” means the person or persons named by a Member by written designation filed with the Retirement Committee to receive payments after the Member’s death.
- 1.04 “**Board**” means the Board of Education for the Jefferson County Public School District R-1 as from time to time constituted, or its delegate.
- 1.05 “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.
- 1.06 “**Compensation**” means the highest amount due to an Employee as scheduled, bid or contracted salary for services rendered to the Board, excluding variable pay under the Board’s Variable Compensation Program except to the extent variable pay is added to base

salary, for the twelve month period ending on August 31st, 1999. Compensation shall be determined prior to any pre-tax contributions under a “qualified cash or deferred arrangement” (as defined under Section 401(k) of the Code and its applicable regulations), under a “cafeteria plan” (as defined under Section 125 of the Code and its applicable regulations) or under a plan meeting the requirements of Sections 403(b) or 457 of the Code, and prior to any reduction for contributions “picked up” under Section 414(h) of the Code. Compensation shall not include benefit allocations, bonuses, overtime pay, extra performance pay and all other forms of special pay, except that Compensation shall include benefit allocations for administrators whose applications for retirement are approved before September 1, 2005. Compensation taken into account for any purpose under the Plan shall not exceed \$160,000.

1.07 “**Credited Service**” means service recognized for purposes of determining eligibility for certain benefits and computing the amount of any benefit, determined as provided in Section 3.01.

1.08 “**District**” means the Jefferson County Public School District R-1.

1.09 “**Effective Date**” is initially August 31, 1999. This amended and restated Plan is effective January 1, 2007.

1.10 “**Employee**” means any person employed by the Board on a full-time basis (which includes a job share employee and any person who was covered by the JCEA negotiated agreement which was in effect on August 31, 1999, who was regularly scheduled to work more than twenty (20) hours per week on August 31, 1999), defined in human resource regulations or

negotiated agreements, who is classified as an administrator, certified or classified employee by the Board and who receives compensation other than a pension, severance pay, retainer or fee under contract, but excluding any person who is included in a unit of employees covered by a collective bargaining agreement which does not provide for his membership in the Plan.

- 1.11 **“Equivalent Actuarial Value”** means the equivalent value when computed on the basis of the 1994 GA Mortality Table (70% female, 30% male) and interest at the rate of 8.75% per cent per year, compounded annually, except as otherwise specified in the Plan. This definition of Equivalent Actuarial Value shall apply to lump-sum payments as well as all other forms of payment under the Plan.
- 1.12 **“Funding Agent”** means the trustee or trustees or the legal reserve life insurance company by whom the funds of the Plan are held, as provided in Article 8.
- 1.13 **“Member”** means any person included in the membership of the Plan, as provided in Article 2.
- 1.14 **“Normal Retirement Age”** means the date that an Employee attains the later of age 55 or completes 20 years of Credited Service.
- 1.15 **“Normal Retirement Date”** means the first day of the calendar month coinciding with or immediately following the later of the date an Employee attains age 55 or completes 20 years of Credited Service.

- 1.16 “**Plan**” means the Supplemental Retirement Pension Plan for Employees of the Jefferson County Public School District R-1 as set forth in this document or as amended from time to time.
- 1.17 “**Plan Year**” means the 12-month period beginning on any September 1 after the initial Effective Date of August 31, 1999. The first Plan Year shall be a short Plan Year beginning and ending on August 31, 1999.
- 1.18 “**Retirement Committee**” means the committee named to administer and supervise the Plan as provided in Article 7.
- 1.19 “**Retirement**” means the Member's employment as an Employee of the Board has terminated and the Member has timely filed an application for Plan benefits in accordance with deadlines established by the Retirement Committee.

ARTICLE 2. MEMBERSHIP

2.01 Membership Requirements

All full time Employees of the Board who are actively employed, as defined in human resource regulations and negotiated agreements, on August 31, 1999 or on an authorized unpaid leave of absence on August 31, 1999, which leave has not exceeded 39 months for certified employees and administrators and 36 months for classified and other employees on August 31, 1999, shall become a Member of the Plan on August 31, 1999. Employees who are in pay status on August 31, 1999 as a result of earned vacation or sick leave or are on a paid leave shall be deemed to be actively employed on August 31, 1999. Employees in a part-time position or in solely a substitute position on August 31, 1999 are not Members of the Plan.

2.02 Events Affecting Membership

A person's membership in the Plan shall end when he is no longer employed by the Board and he is not entitled to either an immediate or a deferred benefit under the Plan.

Membership shall continue while an employee is on leave or during a period while he is not an Employee but is in the employ of the Board, but no Credited Service shall be counted for that period, except as specifically provided in Article 3. Any such person's benefit shall be determined in accordance with the provisions of the Plan in effect on the date he ceased to be an Employee.

2.03 Membership upon Reemployment

If an Employee's membership in the Plan ends and he again becomes an Employee, he shall again become a Member as of his date of restoration to service as an Employee, except as otherwise required by a collective bargaining agreement.

ARTICLE 3. SERVICE

3.01 Credited Service

- (a) General Rules. Credited Service shall begin on the date the Employee was first paid or entitled to payment for the performance of duties for the Board on a full time basis and end on the date an employee quits, retires, is discharged or dies. If an Employee's Credited Service ends and recommences (in accordance with negotiated agreements, if applicable), all periods of the Employee's Credited Service shall be added together. Credited Service shall include periods of part-time and job sharing employment by the Board.
- (b) Special Credited Service Rules for Members Whose Written Application to Retire Is Approved Before September 1, 2005. For Employees whose written application to retire is approved before September 1, 2005, Credited Service shall exclude periods of unpaid leave, job sharing and part-time employment for purposes of determining whether the Employee has completed the 20 years of Credited Service necessary to be eligible to receive a benefit from this Plan. Unpaid leave, job sharing and part-time employment shall be included to calculate the amount of an eligible Employee's benefit and shall be included for purposes of benefit eligibility and benefit amount for Employees whose written application to retire is approved on or after September 1, 2005.
- (c) Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, benefits and service credit with respect to qualified military service shall be provided in accordance with Code section 414(u).

ARTICLE 4. ELIGIBILITY FOR AND AMOUNT OF BENEFITS

4.01 Normal Retirement

- (a) The right of a Member to his normal retirement benefit shall be nonforfeitable as of his Normal Retirement Date provided he is actively employed at that time.
- (i) Regular Retirement. A Member who has attained his Normal Retirement Date may retire from service and receive a normal retirement benefit beginning on the September 1 (payable in arrears on October 1) following the Plan Year in which his written application to retire is approved or he may postpone his retirement and remain in service after his Normal Retirement Date, in which event the provisions of Section 4.02 shall be applicable.
- (ii) Special One-Time, In-Service Lump Sum Payment. In accordance with Section 5.07(a), a Member who has attained his Normal Retirement Age by August 31, 2007, may remain in service and elect to convert the benefit otherwise payable to him into a single lump-sum payment of Equivalent Actuarial Value in lieu of all other benefits payable to him under this Plan. In order to receive the lump-sum payment, the Member must have timely filed an application for Plan benefits and have his written application approved in accordance with deadlines set by the Retirement Committee. The one-time lump-sum payment is payable on or around October 1, 2007. The right to make this election under this subsection (ii) is a one-time, in-service lump sum option.

- (b) The annual normal retirement benefit payable upon retirement on a Member's Normal Retirement Date shall be equal to 257/1000ths of one per cent (.257%) of the Member's Compensation, multiplied by the number of years of his Credited Service prior to September 1, 1999, up to 20 such years.

4.02 Late Retirement

- (a) If a Member postpones his retirement as provided in Section 4.01(a), upon his termination of employment from the Board, he shall be entitled to a late retirement benefit beginning on the September 1 (payable in arrears on October 1) following the Plan Year in which his written application to retire is approved.
- (b) Upon retirement, the late retirement benefit shall be an immediate benefit beginning on the September 1 (payable in arrears on October 1) following the Plan Year in which his written application to retire is approved, and the benefit shall be equal to the amount determined in accordance with Section 4.01(b).

4.03 Early Retirement

- (a) A Member who has not reached his Normal Retirement Date but who has completed 20 years of Credited Service may retire and receive an early retirement benefit.
- (b) The Member may elect to receive an early retirement benefit before his 55th birthday beginning on the September 1 (payable in arrears on October 1) after the close of the Plan Year in which occurs the latest of:
 - (i) his retirement;

- (ii) the date the Retirement Committee approves his written application to receive his benefit; or
- (iii) the Member's attainment of age 50.

Alternatively, the Member may elect to begin to receive his benefit as of the first day of any later month (payable in arrears on the first day of the following month). The Member's benefit shall be equal to the amount determined in accordance with Section 4.01(b), reduced by one-half of 1% for each month (6% for each year) by which the date the Member's early retirement benefit begins precedes the last day of the month containing his 55th birthday.

4.04 Deferred Vested Retirement.

- (a) A Member who has completed 20 years of Credited Service may elect to receive benefits beginning on the September 1 (payable in arrears on October 1) after the close of the Plan Year in which the Member has retired, reached age 50 and received the Retirement Committee's approval of his written application to receive his benefit. Alternatively, such Member may elect to begin to receive his benefit: (i) as of the first day of any later month (payable in arrears on the first day of the following month) for any Member who applied to receive a benefit prior to February 22, 2007; or (ii) in accordance with the date specified in Section 5.03(d), for any Member who applied to receive a benefit on or after February 22, 2007. The Member's benefit shall be equal to his deferred benefit reduced by one-half of 1% for each month (6% for each year) by which the date the Member's

early retirement benefits begins precedes the last day of the month containing his 55th birthday.

- (b) Solely for a Member who (i) has terminated employment, (ii) has completed 20 years of Credited Service, (iii) has reached age 55, and (iv) has not yet commenced receipt of his retirement benefit by May 1, 2007, such Member has a one-time opportunity to receive a lump-sum payment in accordance with Section 5.07(c) which includes the amounts of the payments which would have been paid if the Member had commenced his retirement benefit as of the Member's Normal Retirement Date. Alternatively, such Member has a one-time opportunity, in accordance with such deadlines as are set by the Retirement Committee, to select another optional form in accordance with Section 5.02, with payments retroactive to the Member's Normal Retirement Date, and with the first payment to be made October 1, 2007, provided the Retirement Committee has approved his written application.

4.05 Death Benefits

- (a) Except as specifically provided in this Section 4.05, no benefits shall be paid on account of the Member's death.
- (b) If a Member eligible for a normal, early or deferred retirement benefit dies after he completes 20 Years of Credited Service but before payment of his normal, early or deferred retirement benefit begins, his spouse, if any, shall receive a monthly pension benefit if (i) or (ii) below is satisfied:

- (i) The Member's employment by the Board terminated before the Member's death;
or
- (ii) The Member had submitted an application to retire effective the year following the application and the Member died on or after December 1 of the year before his application to retire would take effect (and the death was not before December 1, 2005).

For a Member who meets the criteria above and dies before February 22, 2007, the pension benefit shall commence to his spouse, if any, on the earliest date payment of the Member's benefit would have begun if the Member had not died and shall be equal to the benefit the spouse could have received had the Member retired on the date before his death and had commenced receiving his benefit, in accordance with Option 1 in Section 5.02 of the Plan.

For a Member who meets the criteria above and dies on or after February 22, 2007, the benefit shall be payable to his spouse only in a single lump sum, which is the Equivalent Actuarial Value of the spousal benefit payable the first day of the month following the Member's death under Option 1 in Section 5.02 of the Plan.

- (c) If a Member dies after payment of his benefit begins, his designated Beneficiary shall receive the benefit, if any, provided in the event of the Member's death under the form of benefit in which the Member's benefit was paid.

4.06 Maximum Benefit Limitation

- (a) The maximum annual benefit payable to a Member under the Plan in the form of a single life annuity, when added to any pension attributable to contributions of the Board

provided to the Member under any other qualified defined benefit plan, shall be equal to \$160,000, effective January 1, 2002, subject to the following adjustments. If the limitation of this Section 4.06 would be exceeded because the Member's benefit under another qualified defined benefit plan must be added to the Member's benefit from this Plan, the benefit reduction required to meet the limitation of this Section 4.06 shall apply to the other plan.

- (i) If the Member has not been a Member of the Plan for at least 10 years, the maximum annual benefit shall be multiplied by the ratio which the number of years of the Member's membership in the Plan bears to 10. This adjustment shall be applied separately to the amount of the Member's benefit resulting from each change in the benefit structure of the Plan, with the number of the years of membership in the Plan being measured from the date of each such change.
- (ii) If the benefit begins before the Member's attainment of age 62, the maximum benefit shall be the Equivalent Actuarial Value of the maximum allowance payable at age 62.
- (iii) If the benefit begins after the Member's attainment of age 65, the maximum benefit shall be the Equivalent Actuarial Value, based on an interest rate of 5% per year in lieu of the interest rate otherwise used in the determination of Equivalent Actuarial Value, to that maximum benefit payable at the Normal Retirement Date.

- (iv) If the Member's benefit is payable as a joint and survivor benefit with his or her spouse as the Beneficiary, the modification of the benefit for that form of payment shall be made before the application of the maximum limitation, and, as so modified, shall be subject to the limitation.
 - (v) As of January 1 of each calendar year commencing on or after January 1, 2002, the dollar limitation as determined by the Commissioner of Internal Revenue for that calendar year shall become effective as the maximum permissible dollar amount of benefits payable under the Plan during the limitation year ending with that calendar year, including benefits payable to Members who retired prior to that limitation year, in lieu of the \$160,000 amount.
 - (vi) For the purposes of determining Equivalent Actuarial Value under this Section 4.05, the actuarial assumptions shall be based on the interest rate defined in Section 1.11, unless otherwise specified, and the mortality shall be the mortality required under Section 415(b)(2)(E)(v) of the Code.
- (b) For the limitation year, such year commencing September 1, 1999 and ending August 31, 2000, if a Member is a participant in any qualified defined contribution plan required to be taken into account for purposes of applying the combined plan limitations contained in Section 415(e) of the Code, then for that year the sum of the defined benefit plan fraction and the defined contribution plan fraction, as such terms are defined in said Section 415(e), shall not exceed 1.0. If the foregoing combined plan limitation would be exceeded for that year, the benefit provided under this Plan shall be reduced to the extent necessary to meet that limitation. If a Member's benefit was limited by the provisions of

Section 415(e) of the Code, such benefit shall be redetermined as of September 1, 2000 without regard to the provisions of said Section 415(e) and such recomputed benefit shall be payable on and after said date, but only if the Retirement Committee finds that doing so will not result in the duplication of benefits payable from this Plan and any other qualified or nonqualified plan sponsored by the Board.

4.07 Transfers

- (a) If a Member becomes employed by the Board in any capacity other than as an Employee, he shall retain any Credited Service he has under this Plan. Upon his later retirement or termination of employment with the Board, any benefits to which the Employee is entitled under the Plan shall be determined under the Plan provisions in effect on the date he ceases to be an Employee, and only on the basis of his Credited Service accrued while he was an Employee, except as provided otherwise in Section 3.01.

ARTICLE 5. PAYMENT OF PENSIONS

5.01 Automatic Form of Payment

In the case of a benefit payment under this Plan due to termination of employment on or before August 31, 2007, a Member's benefit shall be payable in monthly installments beginning on the Member's annuity starting date, and ending with the last monthly payment before his death, unless the Member has elected an optional benefit as provided in Section 5.02. In the case of a benefit payment under this Plan due to termination of employment on or after September 1, 2007, the benefit shall be payable only in 120 monthly payments (which shall be the Equivalent Actuarial Value of a life annuity for the Member), as described in Option 3 of Section 5.02, unless the Member has elected an optional benefit as provided in Section 5.02.

5.02 Optional Forms of Payment

The following optional forms of payment are available as specified below.

| Member's Termination Date | Available Options |
|--|--------------------------|
| On or Before August 31, 2005 | Options 1, 2 and 3 |
| On or After September 1, 2005 through August 31, 2007 | Options 1, 2, 3 and 4 |
| On or After September 1, 2007 | Options 3 and 4 |

Any Member (or, as permitted in Option 4 below, any Beneficiary) may elect, in such manner as the Retirement Committee shall prescribe, to convert the benefit otherwise payable to him into an optional benefit of Equivalent Actuarial Value, as provided in one of the available options named below. In the case of a benefit payment under this Plan due to termination of employment on or after September 1, 2007, the forms of payment described in Options 1 and 2 below are not available and payment shall be in either 120 monthly payments as described in Option 3 below or in a single lump sum as described in Option 4 below.

Option 1. A modified benefit payable during the Member's life, and after his death payable during the life of, and to, the Beneficiary named by him when he elected the option.

Option 2. A modified benefit payable during the Member's life, and after his death payable at one-half the rate of his modified Pension during the life of, and to, the Beneficiary named by him when he elected the option.

Option 3. A modified benefit payable to the Member for 120 months only. If the Member dies before receiving 120 monthly payments, the remaining payments shall be paid to his Beneficiary. If no Beneficiary survives the Member, or if the Beneficiary dies before a total of 120 monthly payments have been made to the Member and the Beneficiary, any remaining payments shall be made to the Member's designated contingent Beneficiary, and if none, to the Member's estate.

Option 4. A single, lump-sum payment of Equivalent Actuarial Value. The lump-sum payment is first payable October 1, 2006. This lump-sum payment is only available to

Members and Beneficiaries who are eligible for payment due to the Member's termination of employment or death provided such Member or Beneficiary elects the lump-sum payment when first available to such Member or Beneficiary, in accordance with Section 5.03(c).

If a Member dies after payment of his benefit has commenced, any payments continuing on to his designated Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Member's date of death.

5.03 Election of Benefits

- (a) Written Explanation of Benefits. The District shall furnish to each Member a written explanation in nontechnical language of the terms and conditions of the benefit payable to the Member as of the Normal, Late or Early retirement dates described in Sections 4.01, 4.02 and 4.03; in the normal and optional forms described in Sections 5.01 and 5.02. A written election under Sections 5.01 and 5.02 shall be made on a form provided by the Retirement Committee.

- (b) Revocation of Election. An election of an option under Section 5.02 may be revoked on a form provided by the Retirement Committee, and subsequent elections and revocations may be made at any time and from time to time during the annual election period. An election of an optional benefit shall be effective on the first of the month as of which the Member's benefit payments begin. A revocation of any election shall be effective when the completed form is filed with the Retirement Committee. If the Member's designated Beneficiary under an option dies before the Member's benefit payments begin, the election is automatically and immediately revoked, and the Member may designate

another Beneficiary provided the completed form is filed with the Retirement Committee before the first of the month as of which the Member's benefit payments begin. On or after the first of the month as of which a Member's benefit payments begin, the Member may not change his optional form of payment or Beneficiary.

(c) Special Rules for Option 4. Notwithstanding the above, if a Member, who terminates employment (or dies) on or after September 1, 2005, wishes to elect Option 4 under Section 5.02, such Member (or Beneficiary) must elect Option 4 at his first opportunity to make such election. Thus, for example, if a Member is age fifty (50) or older when he terminates employment on or after September 1, 2005, he must elect a lump sum payment for the October 1 payment date following his or her termination. Furthermore, effective February 22, 2007, any Member who is entitled to a deferred vested retirement benefit under Section 4.04, and who is not (or was not) age fifty (50) at the time he terminates (or terminated) employment, must apply by the first application date in the schedule below which is on or after his attainment of age fifty (50) if he wishes to receive a lump-sum payment under Option 4.

(d) Special Rules for Deferred Vested Members. Any Member who:

- (i) is entitled to a deferred vested retirement benefit under Section 4.04,
 - (ii) has not yet commenced receipt of his retirement benefit by February 22, 2007,
- and

(iii) either he:

(1) had not yet had the Retirement Committee approve his written application,
or

(2) wishes to revoke an existing election,

must apply by the application due date in the schedule below to receive payment on the payment date, or payment commencement date. Except to adjust for a delayed payment due to semi-annual payment commencement dates and as provided in Section 4.04(b), no retroactive payments shall be made.

| Application Due | Payment Date for Option 4 or Payment Commencement Date for Options 1, 2 and 3 |
|--|--|
| August 31 | October 1 |
| Last day of February (starting February 29, 2008) | April 1 (starting April 1, 2008) |

5.04 Commencement of Payments

Except as otherwise provided in the Plan, payment of a benefit shall begin on October 1 (as a payment for the month ending on the immediately preceding September 30) following the completion of a Plan Year in which occurs the later of (i) the Member's Normal Retirement

Date or (ii) the date the Member dies or termination from service with the Board occurs, provided a written election has been approved on a form provided by the Retirement Committee.

5.05 Distribution Limitation

Notwithstanding any other provision of this Article 5, all distributions from this Plan shall conform to the final regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Further, such final regulations shall override any plan provision that is inconsistent with Section 401(a)(9) of the Code. The life expectancies of Members and their Beneficiaries shall not be recalculated.

5.06 Direct Rollover of Certain Distributions

- (a) 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 Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (b) The following definitions apply to the terms used in this Section:
 - (i) 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: 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 ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.

- (ii) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. An eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan.
- (iii) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse; and

- (iv) A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (c) The Retirement Committee shall, no less than 30 and no more than 180 days before the date of distribution for an eligible rollover distribution, provide the distributee with the written explanation described in section 402(f) of the Code.

5.07 Special Payment Provisions

In addition to other payment provisions in Section 5.01 through 5.06 above, the following special one-time payment provisions shall apply. If a special one-time payment under Sections 5.07(a), (b) or (c) is elected, the special payment provisions of Section 5.07 shall supersede any other provision (including the death benefit provisions in Section 4.05 of the Plan).

- (a) One-Time, In-Service Lump-Sum Payment. Each existing Member who shall attain his Normal Retirement Age by August 31, 2007, may voluntarily elect in accordance with such deadlines as are set by the Retirement Committee to receive a one-time, in-service, lump-sum payment of the Equivalent Actuarial Value of his vested Plan benefit as of September 1, 2007, in lieu of the benefits otherwise payable to him. If so elected, the one-time, lump-sum payment shall be made on or around October 1, 2007, provided the Retirement Committee has approved his written application. If so elected and approved, and the Member dies before the September 1, 2007, the benefit shall be payable to his spouse only in a single lump sum which is the Equivalent Actuarial Value of the spousal

benefit payable the first day of the month following the Member's death under Option 1 of Section 5.02 of the Plan.

- (b) One-Time, Lump-Sum Payment for Retirees and Beneficiaries. Each retiree or Beneficiary who is receiving benefits in a form other than a lump sum as of December 31, 2006 may voluntarily elect in accordance with such deadlines as are set by the Retirement Committee to receive a one-time, lump-sum payment of the Equivalent Actuarial Value of his remaining benefit otherwise payable to him. If so elected, the Member's last monthly payment shall be made on or around May 1, 2007 and the one-time, lump-sum payment shall be made on or around June 1, 2007, provided the Retirement Committee has approved his written application. If the retiree or Beneficiary dies before May 1, 2007, the lump sum election shall not apply and the retiree's Beneficiary or the Beneficiary's estate shall be entitled to benefits, if any, under the form of benefit the Member previously elected.
- (c) One-Time, Lump-Sum Payment for Certain Deferred Vested Members. Each Member as of May 1, 2007, who (i) has completed 20 years of Credited Service, (ii) terminated employment, (iii) reached age 50 and (iv) has not commenced receipt of Plan benefits or has commenced receipt of Plan benefits between December 31, 2006 and May 1, 2007, may voluntarily elect in accordance with such deadlines as are set by the Retirement Committee to receive a one-time, lump-sum payment of the Equivalent Actuarial Value of his vested Plan benefit as of May 1, 2007 in lieu of the benefit otherwise payable to him. If so elected, the one-time lump-sum payment shall be made on or around June 1, 2007, provided the Retirement Committee has approved his written application. If so

elected and approved and the Member dies after attainment of age 50 and before May 1, 2007, the benefit shall be payable to his spouse only in a single lump sum which is the Equivalent Actuarial Value of the spousal benefit payable the first day following the Member's death under Option 1 of Section 5.02 of the Plan.

ARTICLE 6. CONTRIBUTIONS

6.01 Board's Contributions

Subject to the funding being available, the Board, acting under the advice of the actuary appointed by the Retirement Committee, intends to make contributions to the Funding Agent in such amounts and at such times to maintain the Plan on a sound actuarial basis as required by applicable law. The Board expects to continue such contributions to the Plan but assumes no responsibility to do so, unless required by applicable law. The Board may suspend, reduce or permanently discontinue all contributions at any time pursuant to a written agreement with the Associations representing the Members. If an agreement to suspend, reduce or permanently discontinue all contributions cannot be reached, the matter shall be subject to negotiation. Any forfeitures shall be used to reduce the Board's contributions otherwise payable.

6.02 Return of Contributions

- (a) If a contribution is conditioned on initial qualification of the Plan under Section 401(a) of the Code, and if the Commissioner of Internal Revenue, on timely application, determines that the Plan is not initially so qualified, or refuses, in writing, to issue a determination as to whether the Plan is so qualified, the contribution shall be returned to the Board with interest or income. The return shall be made within thirty to sixty days after the date of the final determination of the denial of qualification, but only if the application for the determination is made by the time prescribed by law for filing the

Board's return for the taxable year in which the Plan was adopted, or such later date as the Secretary of the Treasury may prescribe.

- (b) The Board may recover without interest the amount of its contributions to the Plan made on account of a mistake in fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions.

ARTICLE 7. ADMINISTRATION OF PLAN

7.01 Appointment of Retirement Committee

- (a) The general administration of the Plan and the responsibility for carrying out the provisions of the Plan shall be placed in a Retirement Committee. The Retirement Committee shall consist of eight voting persons appointed by the Board of which two persons are Members nominated by the Jefferson County Administrators Association (JCAA), two persons are Members nominated by the Jefferson County Education Association (JCEA), two persons are Member's nominated by the Classified School Employees Association (CSEA), one person nominated by the sitting member of the Retirement Committee is a retired Member receiving monthly benefit payments under the Plan, and one person who is a member of the Board or the Board's designee. The Director of Human Resources of the District shall serve as a non-voting ex officio member of the Retirement Committee and shall be the chairperson. Appointed Retirement Committee members shall serve for a two year term, except that the first term beginning on August 31, 1999 for one of the members nominated by each of the Associations shall be for three years. Retirement Committee members may be reappointed to the Retirement Committee for an unlimited number of terms.
- (b) If at any time between appointments an appointed member of the Retirement Committee ceases to serve for any reason whatsoever, the Board shall appoint a Member represented by the same Association as the Member whose position became vacant to fill the vacancy. The new Retirement Committee member so chosen shall serve until the term

expires, at which time a new Retirement Committee member shall be nominated by the same Association and appointed by the Board to serve the next term of the Retirement Committee member whose position became vacant. If any other appointed member of the Retirement Committee ceases to serve for any reason whatsoever, the Board shall appoint a new member to fill the vacancy for the remainder of the term of the Retirement Committee member whose position become vacant.

- (c) Any person appointed a member of the Retirement Committee shall signify his acceptance by filing written acceptance with the Committee and the Secretary of the Retirement Committee. Any member of the Retirement Committee may resign by delivering his written resignation to the Committee and the Secretary of the Retirement Committee.

7.02 Duties of Retirement Committee

The members of the Retirement Committee may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the Plan; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Funding Agent under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan, as they, in their sole discretion, shall decide. The Director of Human Resources shall appoint a

secretary to record minutes of the meetings of the Retirement Committee and to perform other duties as directed by the Retirement Committee.

7.03 Meetings

The Retirement Committee shall hold meetings upon such notice, at such place or places, and at such time or times as it may from time to time determine.

7.04 Action of Majority

Any act which the Plan authorizes or requires the Retirement Committee to do may be done by consensus decision. If consensus is not reached, then the action of the Retirement Committee shall be made by a majority of its voting members. The action of that majority expressed from time to time by a vote at a meeting or in writing without a meeting shall constitute the action of the Retirement Committee and shall have the same effect for all purposes as if assented to by all members of the Retirement Committee at the time in office.

7.05 Compensation

No member of the Retirement Committee shall receive any compensation from the Plan for his services as such.

7.06 Establishment of Rules

Subject to the limitations of the Plan, the Retirement Committee from time to time shall establish rules for the administration of the Plan and the transaction of its business. The Retirement Committee shall have discretionary authority to interpret the Plan and to make factual determinations (including but not limited to, determination of an individual's

eligibility for Plan membership, the right and amount of any benefit payable under the Plan and the date on which any individual ceases to be a Member). The determination of the Retirement Committee as to the interpretation of the Plan or any disputed question shall be conclusive and final to the extent permitted by applicable law.

7.07 Prudent Conduct

The members of the Retirement Committee shall use that degree of care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

7.08 Maintenance of Accounts

The Retirement Committee shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan.

7.09 Service in More than One Fiduciary Capacity

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the funds of the Plan.

7.10 Appointment of Investment Manager

The Retirement Committee, in its sole discretion, shall determine the investment policy for the Plan. However, the Retirement Committee may, in its sole discretion, appoint one or more investment managers to manage the assets of the Plan (including the power to acquire and dispose of all or part of such assets) as the Retirement Committee shall designate. In

that event, the authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager.

For purposes of this Article, the term “investment manager” means an individual who:

- (a) Has the power to manage, acquire or dispose of any asset of the Plan;
- (b) Is (i) registered as an investment advisor under the Investment Advisors Act of 1940, (ii) a bank, as defined in that Act, or (iii) an insurance company qualified to perform services described in paragraph (a) above; and
- (c) Has acknowledged in writing that he is a fiduciary with respect to the Plan.

7.11 Expenses of Administration

To the extent not paid by the Board as the employer, all expenses that arise in connection with the administration of the Plan, including but not limited to the compensation of the Funding Agent, administrative expenses and proper charges and disbursements of the Funding Agent and compensation and other expenses and charges of any enrolled actuary, counsel, accountant, specialist, or other person who has been retained by the Board or the Retirement Committee in connection with the administration thereof, shall be paid from the funds of the Plan held by the Funding Agent under the trust agreement or insurance, including fiduciary liability insurance, or annuity contract adopted for use in implementing the Plan to the extent not paid by the Board.

7.12 Limitation of Liability

The Board, the members of the Retirement Committee, and any officer, employee or agent of the Board shall not incur any liability individually or on behalf of any other individuals or on behalf of the Board for any act, or failure to act, made in good faith in relation to the Plan or the funds of the Plan. However, this limitation shall not act to relieve any such individual or the Board from a responsibility or liability for any fiduciary responsibility, obligation or duty under applicable law.

ARTICLE 8. MANAGEMENT OF FUNDS

8.01 Funding Agent

All the funds of the Plan shall be held by a Funding Agent appointed from time to time by the Retirement Committee under a trust instrument or an insurance or annuity contract adopted, or as amended, by the Retirement Committee for use in providing the benefits of the Plan and paying its expenses not paid directly by the Board. Neither the Board nor the Retirement Committee shall have any liability for the payment of benefits under the Plan nor for the administration of the funds paid over to the Funding Agent.

Notwithstanding anything herein to the contrary, the Funding Agent shall not exercise any of the powers or rights granted to the Funding Agent hereunder or carry out any of the duties delegated hereunder in contravention of the fiduciary standards and obligations imposed upon trustees by all applicable (state and federal) statutory and case law.

8.02 Exclusive Benefit Rule

Except as otherwise provided in the Plan, or as provided below, no part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and other persons entitled to benefits under the Plan and paying Plan expenses not otherwise paid by the Board. Except as provided below, no benefit accrued hereunder shall be subject to division upon divorce, assignable in law or in equity or be subject to execution, levy attachment, garnishment, or other legal process. No person shall have any interest in or right to any part of the earnings of the funds of the Plan, or any

right in, or to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

Notwithstanding the foregoing, the Retirement Committee may, in conformity with Colorado Revised Statutes Section 22-64-212, approve payments:

- (a) for income assignments for child support purposes pursuant to Colorado Revised Statutes Section 14-14-111.5,
 - (b) for writs of garnishment that are the result of a judgment taken for arrearages for child support or for child support debt,
 - (c) for payments made in compliance with a properly executed court order approving a written agreement entered into pursuant to Colorado Revised Statutes Section 14-10-113 (6), and
 - (d) for restitution that is required to be paid for the theft, embezzlement, misappropriation, or wrongful conversion of public property or
 - (e) in the event of a judgment for a willful and intentional violation of fiduciary duties pursuant to Part 2 of Article 64 of Title 22 of the Colorado Revised Statutes where the offender or a related party received direct financial gain,
- and such payments shall not be deemed a prohibited alienation of benefits.

Furthermore, the rights of a former spouse under a domestic relations order end upon the death of the Member unless named as a Beneficiary or co-beneficiary (only available in accordance with Option 3 in Section 5.02 of the Plan). If a former spouse is designated as

co-beneficiary (in accordance with Option 3 in Section 5.02 of the Plan), such person shall receive a portion of the benefit which would otherwise be payable to the Beneficiary.

ARTICLE 9. GENERAL PROVISIONS

9.01 Conditions of Employment Not Affected by Plan

The establishment of the Plan shall not confer any legal rights upon any Employee or other person for a continuation of employment, nor shall it interfere with the right of the Board (which right is hereby reserved) to discharge any Employee and to treat him without regard to the effect which that treatment might have upon him as a Member or potential Member of the Plan.

9.02 Facility of Payment

If the Retirement Committee shall find that a Member or other person entitled to a benefit is unable to care for his affairs because of illness or accident or because he is a minor, the Retirement Committee may direct that any benefit due him, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his spouse, a child, a parent or other blood relative, or to a person with whom he resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

Furthermore, if the Retirement Committee receives from a Member a power of attorney valid under state law, the Retirement Committee shall comply with the instructions of the named attorney to the extent that the Retirement Committee would comply with such instructions if given by the Member and such instructions are consistent with the power of attorney.

9.03 Information

Each Member or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Plan, shall file with the Retirement Committee the information that it shall require to establish his rights and benefits under the Plan.

9.04 Prevention of Escheat

If the Retirement Committee cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Retirement Committee may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown on the records of the Retirement Committee or the Board. If such person has not made written claim therefor within three months of the date of the mailing, the Retirement Committee may, if it so elects and upon receiving advice from counsel to the Plan, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the Plan and the amount thereof applied to reduce the contributions of the Board. Upon such cancellation, the Plan shall have no further liability therefor except that, in the event such person or his Beneficiary later notifies the Retirement Committee of his whereabouts and requests the payment or payments due to him under the Plan, the amount so applied shall be paid to him in accordance with the provisions of the Plan.

9.05 Construction

- (a) The Plan shall be construed, regulated and administered under the applicable provisions of Section 401(a) of the Internal Revenue Code, and shall be governed by the laws of the State of Colorado as in effect from time to time, except where Federal law controls.
- (b) The masculine pronoun shall mean the feminine where appropriate, and vice versa.
- (c) The titles and headings of the Articles and Sections in this Plan are for convenience only. In case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

ARTICLE 10. AMENDMENT, MERGER AND TERMINATION

10.01 Amendment of Plan

The Board may, at any time and from time to time, and retroactively if deemed necessary or appropriate, amend in whole or in part any or all of the provisions of the Plan, pursuant to a written agreement with the Associations representing the Members. If an agreement to amend the Plan cannot be reached, the matter shall be subject to negotiation. However, no amendment shall make it possible for any part of the funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them.

10.02 Merger, Consolidation, or Transfer

The Board may merge this Plan with another qualified plan, subject to any applicable legal requirements, pursuant to a written agreement with the Associations representing the Members. If an agreement to merge this Plan with another qualified plan cannot be reached, the matter shall be subject to negotiation. However, the Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were 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 the Plan had then terminated.

10.03 Termination of Plan

- (a) The Board may terminate the Plan for any reason at any time, pursuant to a written agreement with the Associations representing the Members. If an agreement to terminate the Plan cannot be reached, the matter shall be subject to negotiation. Notwithstanding anything herein to the contrary, this Plan and each obligation of the District hereunder are subject to and contingent upon funds being budgeted and appropriated for such purpose prior to the beginning of each applicable fiscal year of the District. If the Board does not budget and appropriate funds for the obligations under this Plan for any fiscal year of the District, the Board may terminate this Plan pursuant to a written agreement with the Association's representing the Members and the District shall be released from any further obligations hereunder (except as set forth below). Such termination shall be effective as of the last day of the District's fiscal year for which funds have been budgeted and appropriated for the District's obligations under this Plan. The District's fiscal year is from July 1 to June 30.
- (b) In case of termination of the Plan, the rights of Members to their benefits accrued under the Plan as of the date of the termination, to the extent then funded or protected by law, if greater, shall be nonforfeitable. The funds of the Plan shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of termination, except as provided in Section 6.02. However, any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial computation shall be returned to the Board. As of the date of the termination (or partial termination) of the Plan, the Retirement Committee shall determine on the basis of actuarial valuation the share of the

funds of the Plan allocable to each Member (or, as described in (i) below, Beneficiary) entitled to benefits under the Plan in the following order:

- (i) retired Members and Beneficiaries currently receiving benefits;
- (ii) terminated and active Members with at least 20 years of Credited Service who have attained age 50;
- (iii) Members who terminated prior to September 1, 2006, who at the time of termination had at least 20 years of Credited Service but who had not attained age 50, allocating assets available under this subsection (iii) to each Member described in this subsection (iii) in an amount equal to the assets available under this subsection (iii) multiplied by a fraction equal to the lump sum Equivalent Actuarial Value of the Member's accrued Plan benefit divided by the sum of the lump sum Equivalent Actuarial Values of all accrued Plan benefits of Members described in this subsection (iii);
- (iv) Members who:
 - (1) terminated on or after September 1, 2006, who at the time of termination had at least 20 years of Credited Service but who had not attained age 50, or
 - (2) are active Members with at least 20 years of Credited Service who have not attained age 50,

allocating assets available under this subsection (iv) to each Member described in this subsection (iv) in an amount equal to the assets available under this subsection (iv) multiplied by a fraction equal to the lump sum Equivalent Actuarial Value of the Member's accrued Plan benefit divided by the sum of the lump sum Equivalent Actuarial Values of all accrued Plan benefits of Members described in this subsection (iv);

(v) active Members with fewer than 20 years of Credited Service, allocating assets available under this subsection (v) to each Member described in this subsection (v) in an amount equal to the assets available under this subsection (v) multiplied by a fraction equal to the lump sum Equivalent Actuarial Value of the Member's accrued Plan benefit divided by the sum of the lump sum Equivalent Actuarial Values of all accrued Plan benefits of Members described in this subsection (v); and

(vi) terminated Members with fewer than 20 years of Credited Service, allocating assets available under this subsection (vi) to each Member described in this subsection (vi) in an amount equal to the assets available under this subsection (vi) multiplied by a fraction equal to the lump sum Equivalent Actuarial Value of the Member's accrued Plan benefit divided by the sum of the lump sum Equivalent Actuarial Values of all accrued Plan benefits of Members described in this subsection (vi).

In the event of a partial termination of the Plan, the benefits of Members affected by the partial termination shall be nonforfeitable to the extent funded as of the date of the partial

termination, determining funding of the benefits of Members affected by the partial termination by applying the above allocation of Plan assets to benefits of all Plan Members (and, as described in (i) above, to Beneficiaries) as of the date of the partial termination.

Adopted this ____ day of February, 2007.

JEFFERSON COUNTY SCHOOL DISTRICT NO. R-1

By: _____
Jane Barnes
President, Board of Education

Attest:

By: _____
Scott D. Benefield
Secretary, Board of Education