



## COORDINATING COMMITTEE

100 West Washington Street, Room 320 | Hagerstown, MD 21740-4748 | P: 240.313.2330 | F: 240.313.2331  
[www.washco-md.net](http://www.washco-md.net)

**PUR-1308**  
**REQUEST FOR PROPOSALS**  
**REGARDING QUALIFICATIONS & EXPERIENCE / TECHNICAL**  
**PROPOSALS AND PRICE PROPOSALS FOR**  
**RECORD-KEEPING AND ACTUARIAL CONSULTING**  
**SERVICES FOR THE RETIREMENT PLAN,**  
**LENGTH OF SERVICE AWARD PROGRAM AND**  
**OTHER POST-EMPLOYMENT BENEFITS UNDER GASB-45 (OPEB)**

The Board of County Commissioners of Washington County, Maryland is requesting Qualifications and Experience/Technical Proposals and Price Proposals from Consultants to provide Record-keeping and Actuarial Consulting Services for: (1) the Retirement Plan for employees of the Board of County Commissioners, of Washington County, Maryland, which includes a Deferred Retirement Option Program (DROP), (2) the Washington County Maryland Volunteer Length of Service Award Program (LOSAP) for the County's emergency services providers, and (3) County Commissioners of Washington County Other Post-Employment Benefits under GASB-45 (OPEB).

The Washington County Coordinating Committee will be evaluating submissions to this request and select a firm judged to be responsible and responsive to the request. The Committee reserves the right to interview some or all prospective firms to discuss Qualifications & Experience/Technical Proposals as well as Price Proposals. The format for submittals, information regarding the scope of work, and selection criteria used by the Committee is available from either the Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Third Floor, Room 320, Hagerstown, Maryland 21740-4748, telephone 240-313-2330 or from the Washington County website: [www.washco-md.net](http://www.washco-md.net) by accessing the “**Services / Bid Invitations / Purchasing**”.

A Pre-Proposal Conference will be held on **Monday, February 22, 2016 at 2:00 P.M.** in the Washington County Administration Building, Second Floor Conference Room #255, 100 West Washington Street, Hagerstown, Maryland. Attendance at this conference is not mandatory for those wishing to submit proposals, but it is strongly encouraged.

One (1) original and six (6) copies of submittals of Qualifications & Experience / Technical information from consultants enclosed in a *separately*, sealed opaque envelope marked “**Q&E / Technical Proposals – Record-keeping/Actuarial Consulting Services**” and One (1) original and six (6) copies of the Price Proposal enclosed in a *separately*, sealed opaque envelope marked “**Price Proposal – Record-keeping/Actuarial Consulting Services,**” must be submitted and time-stamped into the office of Karen R. Luther, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County

*Request for Proposals*

**Record-Keeping and Actuarial Consulting Services**  
**PUR-1308**

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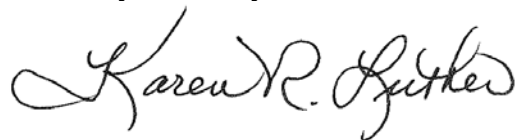
Administration Building, 100 West Washington Street, Second Floor, Room 320, Hagerstown, Maryland 21740-4748, no later than **4:00 P.M., (EST, local time), Thursday, March 10, 2016**. Failure to comply with providing the above-required information for the Committee's review may result in disqualification of that firm. Inquiries should be directed to the Director of Purchasing at the above address, telephone 240-313-2330.

**NOTE: All Proposers must enter the County Administration Building through the front door, 100 West Washington Street entrance, and must use the elevator to access the Purchasing Department to submit their proposal and/or to attend the Pre-Proposal Conference. Alternate routes are now controlled by a door access system.**

Washington County shall make positive efforts to utilize Disadvantaged Business Enterprises for its supplies and services and shall allow these sources the maximum feasible opportunity to compete for contracts. The County Commissioners of Washington County do not discriminate on the basis of race, color, national origin, sex, religion, age and disability in employment or the provision of services. Individuals requiring special accommodations are requested to contact the undersigned at 240-313-2330 Voice, TDD Dial 7-1-1 to make arrangements no later than seven (7) calendar days prior to the Pre-Proposal Conference.

Inquiries regarding this request should be directed to Karen Luther, CPPO – Director of Purchasing at 240-313-2330. The Board of County Commissioners of Washington County reserves the right to reject the proposal of a firm who has previously failed to perform properly or complete on time contracts of a similar nature or a proposal of an organization which investigation shows is not in a position to perform the contract. The Board of County Commissioners of Washington County, Maryland reserves the right to accept or reject any and/or all proposals, and to waive formalities, informalities and technicalities therein and to take whatever action is in the best interest of Washington County. The Board reserves the right to contact a Proposer for clarifications and may, at its sole discretion, allow a proposer to correct any and all formalities, informalities and technicalities in the best interest of Washington County.

By Authority of:

A handwritten signature in black ink that reads "Karen R. Luther". The signature is written in a cursive style with a large, looping initial "K".

Karen R. Luther, CPPO  
Director of Purchasing

BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND



## COORDINATING COMMITTEE

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**REQUEST FOR SUBMITTALS**  
**REGARDING QUALIFICATIONS & EXPERIENCE / TECHNICAL**  
**PROPOSALS AND PRICE PROPOSALS FOR**  
**RECORD-KEEPING AND ACTUARIAL CONSULTING**  
**SERVICES FOR THE RETIREMENT PLAN,**  
**LENGTH OF SERVICE AWARD PROGRAM AND**  
**OTHER POST-EMPLOYMENT BENEFITS UNDER GASB-45 (OPEB)**

**February 12, 2016**

**I. INTRODUCTION:**

The Board of County Commissioners of Washington County, Maryland (hereinafter called “County”) is requesting Qualifications & Experience/Technical Proposals and Price Proposals from firms to provide Record-keeping and Actuarial Consulting Services for the **Retirement Plan for Employees of the County** and the **Washington County Maryland Volunteer Length of Service Award Program (LOSAP) for the County’s emergency services providers and Other Post-Employment Benefits under GASB-45 (OPEB).**

**II. INTENT:**

The intent of this request is to seek proposals from firms interested in providing record-keeping and actuarial consulting services for the Retirement Plan for employees of the County and the Washington County Maryland Volunteer Length of Service Award Program (LOSAP), provided by the County for the volunteer emergency services providers for Washington County and Other Post-Employment Benefits under GASB-45 (OPEB).

**III. BACKGROUND:**

A. Employees’ Retirement Plan of Washington County

1. The County withdrew from the Maryland State Retirement System in July 1972 and currently maintains a defined benefit retirement program that has been established by County Ordinance. The plan covers all regular full-time employees (to include police and correctional officers) and elected officials. The County is the sole plan sponsor.

2. Beginning in 1972, the Aetna Life Insurance Company had provided all actuarial and record-keeping services. On August 16, 1993 the County received formal notification from Aetna that effective August 15, 1993 it would no longer be providing these services. This included the Actuarial Report and Employee Retirement Statements for the period July 1, 1992 to June 30, 1993. Since 1993, record-keeping and actuarial services have been provided first by William M. Mercer, Inc., and most recently by CBIZ Benefits & Insurance Services.
3. The plan is composed of two (2) distinct groups, uniformed and non-uniformed services personnel. The uniformed services personnel benefit has a normal retirement eligibility of age 50 years or 25 years of credited service whichever comes first. In addition this group has the option to retire early at age 50 with a 2% per year penalty. Other full-time non-uniformed employees have a normal retirement eligibility of age 60 years or 25 years of credited service, whichever comes first. However, prior to July 1, 2013 a certain group of non-uniformed employees had the choice of staying at a contribution of 5.5% of his or her Per-Pay Compensation. All those who did not chose this option are contributing 6% of his or her Per-Pay Compensation and have a normal retirement of age 60 or 25 years of credited service. As of the last actuarial evaluation, the plan had approximately 756 participating employees (which includes approximately 80 DROP participants) and 312 retirees and non-active members.
4. For informational purposes to assist in preparation of your proposals, copies of the following documents are attached: 1) a sample Employee Retirement Plan Benefit Statement (Attachment No. 1); 2) the Actuarial Valuation Report for Plan Year Ending June 30, 2015 (Attachment No. 2) the current Retirement Plan Document (Attachment No. 3).

B. LOSAP

1. On September 26, 2000, the County formally adopted the LOSAP Program with an effective date of July 1, 1998. The purpose of this Plan is to provide Eligible Volunteers (active members of one or more Washington County fire, rescue, or emergency medical services, or support organization approved by the County) who become covered under the Plan with retirement, disability, and line-of-duty death benefits.
2. This is a County-funded program and the County has been funding this Program on an annual basis since 2001. Benefit payments began effective January 1, 2007. The Program currently has approximately 1,200 participants and approximately 110 receiving benefits as of January 1, 2015. Note: New benefits and any benefit changes will take place January 1<sup>st</sup> of each year or age eligibility dates.
3. For informational purposes to assist in preparation of your proposals, copies of the following documents are attached: 1) the current LOSAP Plan Document (Attachment No. 4); the LOSAP Actuarial Valuation Report for the Plan Year Ending June 30, 2015 ( Attachment No. 5).

C. OPEB (Other Post-Employment Benefits)

1. The County sponsors a single-employer post-retirement benefit plan. The plan provides post-retirement health care benefits to employees who retire from the County under normal or early retirement provisions of the pension plan. The health care benefits are provided until the retiree is eligible for Medicare. Retirees who exercise the option for the health care benefits pay one-half of the estimated cost of the benefits. The County pays the remaining cost as part of its self-insurance program. Currently, forty-four (44) retirees are receiving benefits and seventy-three (73) employees are retirement eligible.
2. The County offered a special termination benefit to employees that retired between July 1, 1995 and September 30, 1995. Those employees are receiving health care benefits (managed care program) from the date of retirement until they are eligible for Medicare. One (1) former employee and their spouse are receiving this benefit. The County offered a special termination benefit to employees.
3. The trust fund will be invested as a long-term pension trust, using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment returns.
4. For informational purposes to assist in preparation of your proposals a copy of the Actuarial Valuation Report for the year ending June 30, 2014 is attached. (Attachment No. 6).
5. The price costs for OPEB services as outlined herein shall be included in the price portion of Part 1 of the Proposal Form.

**IV. SCOPE OF REQUIRED SERVICES:**

A. Employees' Retirement Plan of Washington County and OPEB

1. Record-keeping Services

The County is requesting qualifications and experience/technical proposals from retirement plan record-keepers to maintain independent service, salary and employee contribution histories for the Retirement Plan. The record-keeper's proposal shall respond specifically to each of the below issues as well as any other issues that the proposing record-keeper deems necessary. The responses shall explain in detail how the record-keeper will provide each of these required services. Specific responsibilities of the selected record-keeper will include:

a. Services Histories

The Retirement Plan bases benefits on credited service under the Plan. The record-keeper will be responsible to master the plan's service crediting rules (which, as was mentioned earlier, are different for different groups of covered employees) and to secure appropriate computerized service reports

from CBIZ Benefits & Insurance Services, the current record-keeper. The County expects the record-keeper's service records to be those upon which actual benefits determinations are based; and

b. Salary Histories

The Retirement Plan also bases benefits on average salaries. The record-keeper will be responsible for the annual collecting and computerized updating of the salary histories necessary to properly determine plan benefits; and

c. Employee Contributions

The Retirement Plan requires mandatory employee contributions of five and one-half (5 1/2%) percent of regular wages for non-uniformed for a certain group of employees and six (6%) percent of regular wages for uniformed and all other employees. These contributions are credited with 6% annual interest and the accumulated employee contributions constitute an integral part of the individual benefit determination. The record-keeper will be responsible for maintaining employee contribution histories and interest credits on a year-to-date, inception to date pre-tax/post-tax basis. Note: employee contributions have been collected on a pre-tax basis since January 1, 1990 as allowed under IRC Section 414(h).

d. Annual Employee Report

Employees will receive a detailed Employee Retirement Benefit Report annually that will contain at least the information currently provided (see sample attached - Attachment No. 1).

B. LOSAP

1. Record-keeping Services

The County is requesting qualification and experience/technical proposals from retirement plan record-keepers to maintain independent service histories for the LOSAP. The record-keeper's proposal shall respond specifically to each of the below issues as well as any other issues that the proposing record-keeper deems necessary. The responses should explain in detail how the record-keeper will provide each of these required services. Specific responsibilities of the selected record-keeper will include:

2. Services Histories

Actual record-keeping for LOSAP eligibility is the responsibility of each participating Volunteer Company. These records are reported annually to the Washington County Volunteer Fire & Rescue Association, Inc., who, in turn, forwards to the Actuary and the Washington County Department of Health and

Human Services. The record-keeper will be responsible to secure appropriate computerized service reports from CBIZ Benefits & Insurance Services, the current record-keeper.

C. Actuarial Consulting Services

1. The County is requesting proposals from qualified actuaries to provide on-going actuarial consulting and valuation services for the Retirement Plan, LOSAP and OPEB. Qualified firms must include at least one (1) enrolled actuary on staff and be able to demonstrate high understanding of or experience with contributory defined benefit plans covering a governmental employee group of at least the size of the Retirement Plan for Employees of the County Commissioners of Washington County, Maryland. Specific responsibilities of the selected actuarial firm will include:

D. Plan Funding Requirements

Each year, the actuary is expected to perform a complete actuarial evaluation of the Retirement Plan, LOSAP and OPEB to determine minimum and recommended funding levels. The actuary is expected to determine each economic and demographic assumption used in the annual valuation and to update those assumptions as warranted by actual plan experience. The County expects a comprehensive valuation report for each plan, the Employee's Retirement Plan and LOSAP, with the results of these valuations delivered to the County no later than September 30th of each year for each recently completed fiscal year, and a comprehensive valuation report for the OPEB, with the results of this valuation no later than September 30<sup>th</sup> of each bi-annual year (i.e., September 30, 2016, September 30, 2018, etc.) for the recently completed fiscal year.

E. GASB Disclosure Requirements

Each year, the actuary is expected to provide the pension expense and disclosure information required by the County's auditors under prevailing Government Accounting Standards Board (GASB) requirements. The actuary is expected to determine each economic and demographic assumption used in the GASB calculations and to update these assumptions as warranted by actual plan experience. The County expects this information to be available to the auditor far enough in advance to timely complete each year's audit.

F. Benefit Calculations

1. Employees' Retirement Plan of Washington County  
Throughout each year, the actuary will be expected to calculate and certify all benefit calculations for retirement, the Deferred Retirement Option Plan (DROP), deaths, disablement and vested terminations. Approximately fifty (50) of these calculations are required each year.

Also the actuary will be expected to determine service buy-back or transferred service amounts as employees are rehired or otherwise become eligible for such

benefits. Approximately ten (10) of these calculations are required each year.

2. LOSAP

To assist the administering office (Department of Health and Human Services), the actuary will prepare a data sheet to assist in the determination of benefit amounts when a joint survivor annuity is elected.

G. Investment Performance Review

Each quarter (four (4) times per year), the actuary is expected to make an independent determination of the net investment return of the Plans' assets. The actuary is further expected to provide an independent comparison of the annual return with the annual return of similarly balanced pension funds. The County does not expect a comprehensive investment performance review by the actuary; nonetheless, the County will expect the actuary to provide useful input into the collective analysis of the relative investment performance. The County Retirement Committee meets quarterly with the Plan's investment advisors.

H. Consulting

The actuary is expected to be pro-active in providing consultation to the County and the County's auditors.

I. Reporting to County Commissioners

The actuary is expected to provide at least an annual presentation to the County. The actuary should expect that these presentations will cover plan costs, actuarial assumptions, operational aspects of the plans and commentary on the plans' investment returns. The actuary should further expect that these presentations may be made at public meetings. Should public meetings be required, the selected consulting firm shall be compensated based on the hourly rates identified and provided as required in Section VI.A.2, on Page 8 of this RFP document.

J. In addition to the above services, the selected consulting actuary shall provide non-recurring services, i.e., benefit adequacy studies, at the rates requested in Sections VI and XI herein.

V. **QUALIFICATIONS & EXPERIENCE / TECHNICAL PROPOSAL (Q&E/TECHNICAL PROPOSAL):**

Respondent shall respond to and reference each section and subsection. State also when your firm cannot accomplish the requested function. Respondent shall discuss each item in detail. Brief responses such as "meets requirements" or "exceeds requirements" will not be accepted.

*As a minimum, your **Q&E / Technical Proposal** shall include the following information. Failure to discuss each item may deem the submittal non-responsive and may result in non-consideration of respondent's services. (DO NOT INCLUDE ANY PRICE INFORMATION IN ANY TRANSMITTAL*



*LETTER NOR IN THE QUALIFICATIONS & EXPERIENCE/TECHNICAL PROPOSAL OR THE PROPOSAL MAY BE CONSIDERED NON-RESPONSIVE.)*

A. Philosophy

1. Describe your ideal basis of working with a client.
2. Describe any features or capabilities of your firm that you believe are notable.

B. Data Processing Capabilities

Describe your data processing capabilities and computer system design to include any recent systems updates.

C. Reports

Describe a typical annual actuarial report and annual employee statement. Attach a sample of each.

D. Principals and Background

1. Submit the names, titles, and resumes of the "principal" actuarial staff member(s) who will be responsible for the account during the performance of the contract.
2. Describe in depth the management team available to the "principal" actuarial staff member(s). Include an organizational chart of manpower, titles, qualifications, roles in contract performance, and availability for telephone consultations and on-site meetings.
3. Provide a listing of or the number of enrolled actuarial professionals who have a high understanding of or experience with contributory defined benefit plans covering governmental employee groups of at least six hundred (600) employees.
4. Provide a statement that the personnel responsible for the account can adequately devote the time required to service the account as determined by the County.
5. Firms must have been in existence for a minimum of five (5) years. Submit a statement as to when your firm was established.

E. References

Provide at least three (3) present clients having at least six hundred (600) employees for which your firm provides actuarial and record-keeping services. Include the name and telephone number of a contact person familiar with your firm's performance.

F. Conclusions, remarks and/or supplemental information pertinent to this request.

## **VI. PRICE PROPOSAL:**

- A. As a minimum, your **Price Proposal** shall include the following:
1. The Proposal Form contained herein (Attachment No. 7).
  2. A quotation of hourly rates for each classification of employee to be used for these services. These hourly rates shall be used as the basis for compensation for extra work and shall include the Consultant's total costs for actual payroll, support, supervision, fringe benefits, overhead, travel expense, printing profit and incidentals. The actual breakdown for these hourly rates is not required.
  3. The proposal must be accompanied by a fully executed Affidavit (Attachment No. 8) executed by the Consultant, or in case the Consultant is a corporation, by a duly authorized representative of the Consultant, on the form provided.
  4. Conclusions, remarks and/or supplemental information pertinent to this request.

## **VII. PRE-PROPOSAL CONFERENCE:**

A Pre-Proposal Conference will be held on **Monday, February 22, 2016 at 2:00 P.M. (local time)** in the Washington County Administration Building, Second Floor Conference Room #255, 100 West Washington Street, Hagerstown, Maryland. Attendance at this conference is not mandatory for those wishing to submit proposals, but it is strongly encouraged. It is the Consultant's responsibility to become familiar with all information necessary to prepare a proposal.

## **VIII. TERM OF CONTRACT:**

- A. The initial term of this contract shall be for a one (1) year period, tentatively beginning July 1, 2016, with an option by the County to renew for up to four (4) additional consecutive one (1) year periods and subject to written notice given by the County at least sixty (60) calendar days in advance of its expiration date. The County may terminate the Contract if funding is not provided in any County fiscal year. The County fiscal year is a 12-month period that begins on July 1<sup>st</sup> and ends June 30<sup>th</sup>.
- B. If the Consultant fails to comply with the specifications, he will be given thirty (30) calendar days' notice to render satisfactory service. If at the expiration of such thirty (30) calendar days' notice, the unsatisfactory conditions have not been corrected, the County reserves the right to terminate the contract.

## **IX. USE OF EXISTING DOCUMENTS:**

The County will cooperate to the fullest extent by making available to the Consultant all documents pertinent to this service that may be in the County's possession. The County makes no warranty as to the accuracy of existing documents, nor will the County accept any responsibility for errors and omissions that may arise from the Consultant having relied upon them.

**X. COMPENSATION TO THE CONSULTANT:**

- A. The Consultant shall be compensated annually for his/her services on a contract lump sum fee basis. Services shall be proposed in the format shown on Attachment No. 7. The lump sum fees shall include supervision, support, travel, and out-of-pocket costs necessary to accomplish the related tasks.
- B. The Consultant shall invoice the County quarterly for all services satisfactorily completed during that period. All invoices shall include a description of the work effort covered for that period. Failure to include the description of work with the invoice may result in rejection of the invoice. Payment shall be made within thirty (30) calendar days of receipt of invoices for services satisfactorily rendered and approved by the County.

**XI. EXTRA WORK:**

- A. The Consultant shall include an hourly rate quotation for each classification of employee to be used for these services. This hourly rate shall include all costs such as actual payroll, subsistence, travel, profit and incidentals. In the event that extra work becomes necessary in providing these services, the County's Department of Health and Human Resources Director shall furnish to the Consultant a detailed description of all work to be performed and shall request that the Consultant establish a "lump sum" figure for the work.
- B. Upon the determination of a mutually agreed upon "lump sum" cost, the Consultant shall proceed with the work and shall invoice the County on a monthly basis for all work satisfactorily completed during that period. Payment shall be made within thirty (30) calendar days of receipt of an invoice as approve by the County's Department of Health and Human Services – Human Resources..
- C. If a "lump sum" amount for the extra work cannot be agreed upon, the County's Department of Health and Human Services - Human Resources shall have the right to have the work performed by others or shall have the right to require the Consultant to perform the work on a Force Account basis.

**XII. INSURANCE REQUIREMENTS:**

- A. The service provider must show, prior to the execution of an Agreement, evidence of appropriate insurance as outlined in the attached copy of Washington County's Policy of Insurance Requirements for Independent Contractors (Attachment No. 9).
- B. Professional Liability – The service provider must also show evidence of professional liability insurance coverage in the amount of one million (\$1,000,000) dollars, with a minimum coverage of one million (\$1000,000) dollars per occurrence and one million (\$1,000,000) dollars aggregate and must include coverage for errors, omissions and negligent acts, prior to execution of a contract with the County.
- C. Failure to maintain such insurance shall be grounds for immediate termination of the contract.

### **XIII. CONSULTANT SELECTION PROCESS:**

- A. This solicitation is issued pursuant to the implementation of Section 5 of the Washington County Procurement Policy Manual relative to Requests for Proposals (RFP) - Professional/Technical Services Selection that can be viewed at <http://www.washco-md.net/purchasing/pdf/ProcurementPolicy.pdf>. The County shall not be liable for any costs not included in the proposal, not contracted for subsequently, or in regard to preparation of your proposal.
- B. The Coordinating Committee shall be comprised of the Assistant County Administrator (Committee Chairman), County Director of Purchasing, Deputy County Attorney, Department of Health and Human Services – Director and Benefits Manager, and the County Director of Budget & Finance. The Washington County Coordinating Committee will evaluate responses to this request and select those firms judged to be most qualified.
- C. It is the County’s intent to open and review each firm’s Qualifications & Experience/ Technical Proposal to determine a firm’s qualifications, experience and technical approach to the services. If the Selection Committee determines that a firm’s Qualifications & Experience/Technical Proposal is acceptable, the envelope containing the firm’s Price Proposal will then be opened.
- D. Since it is the County’s desire to select the most qualified firm, the Coordinating Committee reserves the right to schedule oral presentations of those firms it deems most qualified, to take place within ten (10) business days following notification.
- E. Selection criteria to be used by the Committee are:
  - 1. Responsiveness to the scope of work and these instructions to firms;
  - 2. Past performance of the firm including timely completion of services, compliance with scope of work performed within budgetary constraints, and user satisfaction;
  - 3. Specialized experience and technical competence in performing relevant services in the past three (3) years, including qualifications of staff members who will be involved in these services;
  - 4. Oral presentations, if required;
  - 5. Composition of the principals and staff assigned to provide these services, particularly the proposed manager and immediate staff, and their qualifications and experience with services such as that being proposed;
  - 6. Adequacy of the personnel of the firm to accomplish the proposed scope of work in the required time.
  - 7. Firm’s capacity to perform the work, giving consideration to current workloads;
  - 8. Firm’s familiarity with problems applicable to this type of services;

9. References from previous clients (Section V.E.), including size and scope of the services, name and telephone number of contact person.
10. Price Proposal.

**XIV. PROPOSALS AND AWARD SCHEDULE:**

- A. Proposals received prior to the deadline will be treated as confidential. Proposals received after the deadline will not be considered in the evaluation process and will be returned unopened.
- B. It is expected that the contract award will be made within forty-five (45) calendar days after the opening of proposals. The contract will be awarded to the service provider whose proposal, conforming to this request will be the most advantageous to the County.
- C. Proposals must give the full name and address of the proposer and the person signing the proposal shall indicate his or her title and/or authority to bind the firm in a contract.
- D. Proposals cannot be altered or amended after they are opened.
- E. Price Proposals of Consultants whose Qualifications & Experience/Technical Proposals were determined to be unacceptable to the Coordinating Committee will be returned unopened to the Consultant.
- F. The approval or disapproval of Consultants will be determined by their response to this request and on past performance. No assumptions should be made on the part of the Consultant as to this Committee's prior knowledge of his abilities.
- G. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

**XV. TERMS AND CONDITIONS:**

- A. The County reserves the right to reject any or all proposals or to award the contract to the next recommended Consultant if the successful Consultant fails to execute an agreement within ten (10) calendar days after being notified of the award of this proposal.
- B. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.
- C. Any proposal may be withdrawn up until the date and time set within this RFP for the opening of the proposals. Any proposal not so withdrawn will constitute an irrevocable offer, for a period of ninety (90) calendar days, to sell to the County the services set forth above.

- D. The selected Consultant shall be required to enter into a contract agreement with the County. Any agreement or contract resulting from the acceptance of the proposal shall be made on forms approved by the County and shall contain, as a minimum, applicable provisions of this request for proposal. The County reserves the right to reject any agreement that does not conform to this request for proposal and any County requirements for agreements or contracts.
- E. Consultant shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the Director of Health and Human Services.
- F. No reports, information or data given to or prepared by the Consultant under this agreement shall be made available to any individual or organization by the Consultant without the prior written approval of the Director of Health and Human Services.
- G. Consultants are advised that all responses submitted are subject to public inspection and disclosure pursuant to Maryland's Public Information Act, Md. Code Ann., General Provisions Article, Title 4. If there are portions of the response that the respondent considers a trade secret, confidential commercial information, or confidential financial information pursuant to General Provisions § 4-335, the response must include a statement in **CONSPICUOUS BOLD TYPE** on the cover page of the submittal that portions of the response are subject to non-disclosure as commercial information. The portion of the response that is deemed a trade secret or commercial information must be stamped, highlighted, flagged, or otherwise identified in an obvious, noticeable, and eye-catching manner.
- H. The County shall not be liable for any costs incurred by the consultant in regard to preparation of your proposal.
- I. The County reserves the right to request interviews.
- J. The County reserves the right to reject any and/or all proposals, to waive technicalities, and to take whatever action is in the best interest of Washington County.
- K. The County reserves the right to not hold discussions after award of the contract.
- L. By submitting a proposal, the Consultant agrees that he is satisfied, as a result of his own investigations of the conditions set forth in this request, that he fully understands his obligations.
- M. Effective October 1, 1993, in compliance with Section 1-106(b)(3) of the Code of the Public Local Laws of Washington County, Maryland, "If a bidder has not paid all taxes owed to the County or a municipal corporation in the County, the County Commissioners may reject the bidder's bid."
- N. The Consultant shall abide by and comply with the true intent of the RFP and its Scope of Work and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the scope of services, as decided by the County, and as described herein.

- O. **Political Contribution Disclosure:** In accordance with Maryland Code, State Finance and Procurement Article, §17-402, the Bidder shall comply with Maryland Code, Election Law Article, Title 14, which requires that every person that enters into contracts, leases, or other agreements with the State, a county, or any incorporated municipality, or their agencies during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality or their agencies, and shall cover the preceding two (2) calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.
- P. **GOVERNING LAW:** Any contract will be made and entered into in Maryland, and will be construed under the laws of Maryland. The laws of Maryland and Washington County shall govern the resolution of any issue arising in connection with the contract, including, but not limited to, all questions on the validity of the contract, the capacity of the parties to enter therein, any modification or amendment thereto, and the rights and obligations of the parties hereunder.
- Q. **COMPLIANCE WITH LAWS:** If awarded a contract, the Consultant hereby represents and warrants:
1. That it is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
  2. That it is not in arrears with respect to the payment of any monies due and owing the County, or any department or agency thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the contract; that it shall comply with all federal, State, and local laws, ordinances, and legally enforceable rules and regulations applicable to its activities and obligations under the contract;
  3. That it shall procure, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under the contract;
  4. That the facts and matters set forth hereafter in the contract and made a part hereof are true and correct.
- R. In addition to any other remedy available to the County, breach of any of the services contracted herein shall, at the election of the County, be grounds for termination. Failure of the County to terminate the contract shall not be considered or construed as neither a waiver of such breach nor as a waiver of any rights or remedies granted or available to the County.

S. **HOLD HARMLESS/INDEMNIFICATION:**

If a contract is awarded, the successful Consultant will be required to indemnify and hold the County, its agents and/or employees harmless from and against all liability and expenses, including attorney's fees, howsoever arising or incurred, alleging damage to property or injury to, or death of, any person arising out of or attributable to the Consultant's performance of the contract awarded.

Any property or work to be provided by the Consultant under this contract will remain at the Consultant's risk until written acceptance by the County; and the Consultant will replace, at Consultant's expense, all property or work damaged or destroyed by any cause whatsoever.

T. **TERMINATION:**

Termination for Convenience: The County may terminate a contract, in whole or in part, whenever the County determines that such termination is in the best interest of the County, without showing cause, upon giving written notice to the Consultant. The County shall pay all reasonable costs incurred by the Consultant up to the date of termination. However, in no event shall the Consultant be paid any amount that exceeds the price proposed for the work performed. The Consultant will not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.

Termination for Default: When the Consultant has not performed or has unsatisfactorily performed the contract, the County may terminate the contract for default. Upon termination for default, payment may be withheld at the discretion of the County. Failure on the part of a Consultant to fulfill the contractual obligations shall be considered just cause for termination of the contract. The Consultant will be paid for work satisfactorily performed prior to termination less any excess costs incurred by the County in re-procuring and completing the work.

U. **AVAILABILITY OF FUNDS:** The contractual obligation of the County under this contract is contingent upon the availability of appropriated funds from which payment for this contract can be made.

V. **INTERPRETATION:** The contract resulting from this proposal shall be construed under the laws of the State of Maryland.

W. **INTEGRATION:** These proposal documents, Consultant's response to this solicitation, and subsequent purchase order(s) to the successful Consultant contain the entire understanding between the parties and any additions or modifications hereto may only be made in writing executed by both parties.

**XVI. AWARD:**

The County shall award a contract to the lowest responsive, responsible Consultant for the services herein described based on the total of the annual lump sum prices for contract years 1 through 5 for both programs (Parts 1 and 2 on attached Proposal Form).



**XVII. INTERPRETATIONS, DISCREPANCIES, OMISSIONS:**

Should any Consultant find discrepancies in, or omissions from, the documents or be in doubt of their meaning, he should at once request in writing an interpretation from: Karen R. Luther, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Second Floor, Room 320, Hagerstown, Maryland 21740-4748, **FAX 240-313-2331**. All necessary interpretations will be issued to all Consultants in the form of addenda to the specifications, and such addenda shall become part of the contract documents. Failure of any Consultant to receive any such addendum or interpretation shall not relieve such Consultant from any obligation under his proposal as submitted. The County will assume no responsibility for oral instructions or suggestions. **ORAL ANSWERS SHALL NOT BE BINDING ON THE COUNTY.** No requests received after **4:00 P.M., Friday, February 26, 2016** will be considered. Every interpretation made by the County will be made in the form of an addendum that, if issued, will be sent by the Purchasing Agent to all interested parties.

**XVIII. SUBMITTALS:**

If your firm is interested in performing the above services, please submit One (1) original and six (6) copies of your proposals in a *separately*, sealed opaque envelope marked "**Q&E / Technical Proposals – Record-keeping/Actuarial Consulting Services**" and One (1) original and six (6) copies of the Price Proposal enclosed in a *separately*, sealed opaque envelope marked "**Price Proposal – Record-keeping/Actuarial Consulting Services,**" no later than **4:00 P.M., (EST, local time), Thursday, March 10, 2016**, into the office of Karen R. Luther, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Second Floor, Room 320, Hagerstown, Maryland 21740-4748.

The Board of County Commissioners of Washington County, Maryland reserves the right to accept or reject any and/or all proposals, to waive technicalities and to take whatever action is in the best interest of Washington County. Inquiries regarding this request should be directed to Karen R. Luther, CPPO – Director of Purchasing, at 240-313-2330.

Sincerely,



Karen R. Luther, CPPO  
Director of Purchasing

BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND

KRL;jem  
Attachments (9)  
cc: Washington County Coordinating Committee

**PUR-1308**  
**RECORD-KEEPING AND ACTUARIAL CONSULTING SERVICES**

**SUMMARY OF ATTACHMENTS**

	<b><u>Pages</u></b>
<b>ATTACHMENT NO. 1 -</b> Employee Retirement Plan Benefit Statement	1
<b>ATTACHMENT NO. 2 -</b> GASB 68 Actuarial Valuation Report for Plan Year Ending June 30, 2015	1 - 7
<b>ATTACHMENT NO. 3 -</b> Current Employee's Retirement Plan Document	1 – 54
<b>ATTACHMENT NO. 4 -</b> LOSAP Plan Document	1 - 23
<b>ATTACHMENT NO. 5 -</b> LOSAP Actuarial Valuation Report for the Plan Year Beginning July 1, 2015	1 – 9
<b>ATTACHMENT NO. 6 -</b> Actuarial Valuation Report for the Year Ending June 30, 2014	1 – 8
<b>ATTACHMENT NO. 7 -</b> Proposal Form	1 - 4
<b>ATTACHMENT NO. 8 -</b> Affidavit	1
<b>ATTACHMENT NO. 9 -</b> Insurance Requirements for Independent Contractors Policy	1 – 2

## Employees' Retirement Plan of Washington County

### Statement of Your Estimated Retirement Benefits as of July 1, 2015

Participant:

Social Security #:

Date of Birth:

11/13/1969

2014-2015 Base Pay: \$47,658.00

Date of Hire:

3/17/2014

#### Credited Service

Membership	1.33
CETA/PEP	0.00
Military	0.00
Purchased/Transferred	0.00
<b>Total</b>	<b>1.33 Years</b>

#### Your Accumulated Contributions

<u>From July 1, 2014 to June 30, 2015</u>		<u>Cumulative</u>	
Balance 7/1/2014	\$769.86	Pre-Tax Contribution	\$3,629.34
Current Year Additions	2,859.48	Post-Tax Contribution	0.00
Interest	46.19	Interest	46.19
Purchase/Transfer	0.00	Purchase/Transfer	0.00
<b>Balance 6/30/2015</b>	<b>\$3,675.53</b>	<b>Total</b>	<b>\$3,675.53</b>

Any contributions prior to January 1, 1990 were made on an after-tax basis. Contributions starting January 1, 1990 were made on a pre-tax basis for both federal and state purposes.

#### Projected Benefit\*

Normal Retirement Date	12/1/2029
Estimated Monthly Benefit at Normal Retirement	\$1,251.02

Your projected benefit as of July 1, 2015 was calculated on the following assumptions: you will remain employed with Washington County, your salary will remain level until your Normal Retirement Date and your benefit will be payable as a monthly annuity for your lifetime only with a modified cash refund death benefit. If you elect one of the following optional forms: Joint Benefit, Certain and Continuous, or Social Security Adjustment, the Monthly Benefit will be reduced.

#### Beneficiaries

<u>Type</u>	<u>Name</u>	<u>Relationship</u>	<u>Percent of Benefits</u>
Primary		Spouse	100%
Secondary		Daughter	50%
Secondary		Daughter	50%

\* Note: Your actual benefit may differ from the amount shown when you retire or leave the Plan. If you find any errors in this statement, please report them to the Division of Human Resources.



**GASB 68 ACTUARIAL VALUATION REPORT  
FOR THE  
COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY, MARYLAND  
EMPLOYEES' RETIREMENT PLAN**



**FOR THE PLAN YEAR ENDING  
JUNE 30, 2015**

**October, 2015**

**Prepared by**

**CBIZ Benefits & Insurance Services, Inc.**

**44 Baltimore Street  
Cumberland, MD 21502  
(301) 777-1500**



our **business** is growing **yours**

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# Employees' Retirement Plan of Washington County

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# Employees' Retirement Plan of Washington County

## Actuary's Certification

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We have completed a GASB 68 actuarial valuation of the Employees' Retirement Plan of Washington County as of June 30, 2015. The valuation is based on (a) the plan provisions as in effect on that date, (b) employee data as of July 1, 2014, as provided by the plan sponsor, and (c) asset information as of June 30, 2015. This report has been completed in accordance with generally accepted actuarial principles and reflects our understanding of the requirements of GASB 68.

This report should not be used for any purpose other than for supplying certain information intended to comply with GASB 68. Determinations for other purposes, such as determining recommended contributions or judging benefit sufficiency at plan termination may differ significantly from the results presented in this report.

Our calculations are based upon employee data, financial information and plan provisions provided by the plan sponsor and other persons or organizations designated by the plan sponsor. While we have reviewed this material for reasonable accuracy and believe the information is sufficient to be relied upon for the purposes intended, we did not audit this data.

In the actuary's opinion, the actuarial assumptions and methods used in the valuation are, in the aggregate, reasonably related to the experience of the plan and to reasonable expectations of future results. Such estimates represent my best estimate of anticipated experience under the plan. To the best of my knowledge, this report is complete and accurate, based on the data submitted as outlined herein.

Future actuarial measurements may differ significantly from the current measurement presented in this report due to such factors as the following: plan experience differing from that anticipated; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements and changes in plan provisions, applicable law, or accounting standards.

In my opinion, this valuation fully and fairly discloses the actuarial position of the plan and has been prepared using generally accepted actuarial principles and practices. I also certify that I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Date:

10/5/15

CBIZ Benefits & Insurance Services, Inc.

By:



Alvin K Winters, FSA, EA, MAAA

EA Number: 14-06620

# Employees' Retirement Plan of Washington County

## Summary of Net Investment Changes

Assets on hand as of July 1, 2014		\$85,971,016
Receipts		
County Contribution	6,786,549	
Employee Contribution	1,871,200	
Income	2,321,395	
Realized Gains/(Losses)	(437,291)	
Unrealized Gains/(Losses)	2,861,443	
Total Receipts		13,403,296
Disbursements		
Benefit Payments	(\$6,880,887)	
Investment Advisory Fees - PNC	(223,750)	
Legal Fees	(6,537)	
Trustee Fees - M&T	(95,537)	
Actuarial Fees - State	-	
Actuarial Fees - CBIZ	(56,113)	
Total Disbursements		(7,262,824)
Assets on hand as of June 30, 2015		<u>\$92,111,488</u>
Estimated Investment Return is 13.97%		

### Pension Balance Sheet

#### June 30, 2015 Assets

#### Assets

Cash and Cash Equivalents	\$5,456,898
Government/Agency Obligation	11,316,742
Corporate Obligations	7,269,280
Common Stock	26,530,254
Registered Investment Companies	41,411,157
Accrued Contribution	0
Accrued Income	\$127,157
Total Assets	<u>\$92,111,488</u>

# Employees' Retirement Plan of Washington County

## GASB 68 Net Pension Liability

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The information shown below and on the following page is required for disclosure by Statement No 68 of the Governmental Accounting Standards Board (GASB). "Total Pension Liability" is GASB terminology for the Actuarial Accrued Liability calculated according to the Individual Entry Age Normal cost method. This cost method attributes the actuarial present value of a projected benefit payments to each employee based on a level percentage of compensation basis. This method is not used to determine the annual contributions to the plan.

The difference between the Total Pension Liability and the Plan's Net Fiduciary Position is used to determine the Net Pension Liability. The Target Pension Liability below is based on the last actuarial valuation as of July 1, 2014 and rolled forward to the measurement date of June 30, 2015.

### Net Pension Liability at June 30, 2015

A. Total Pension Liability	\$142,540,120
B. Plan Fiduciary Net Position	<u>92,111,488</u>
C. County's Net Pension Liability	<u><u>\$50,428,632</u></u>
D. Plan Fiduciary Net Position as Percentage of the Total Pension Liability	64.62%
E. Estimated Covered Payroll	\$33,098,009
F. Net Liability as a Percentage of Covered Payroll	152.36%

### Sensitivity of the Net Pension Liability of the City as of June 30, 2015

A. County's Net Pension Liability at Current Discount Rate (7.75%)	\$50,428,632
B. County's Net Pension Liability at with 1% Decrease (6.75%)	\$65,896,249
C. County's Net Pension Liability at with 1% Increase (8.75%)	\$37,230,172



# Employees' Retirement Plan of Washington County

## GASB 68 Annual Pension Expense

---

Under GASB 68 the annual pension expense is intended to recognize certain changes in the Net Pension Liability compared to the previous measurement date. Changes not recorded as a pension expense will be recorded and tracked separately as deferred inflows and outflows to be recognized in a future period's pension expense. Changes in the Total Pension Liability due to differences between actual experience and assumptions are recognized over a closed period equal to the future remaining service of plan participants. Differences between actual and expected investment performance are recognized over a five year period. Any changes due to plan amendment or other benefit changes will be recognized in the year of adoption.

A. Service Cost	\$3,508,850
B. Interest Cost	10,252,003
C. Recognized liability losses/(gains)	0
D. Change of Assumptions	0
E. Employee Contributions	(1,871,200)
F. Expected return on pension investments	(6,749,781)
G. Recognized asset losses/(gains)	445,597
H. Administrative expenses	158,187
I. Other changes in Fiduciary Net Position	<u>0</u>
J. Total Pension Expense	<u><u>\$5,743,655</u></u>

**Employees' Retirement Plan of Washington County**  
**GASB 68 Changes in Net Pension Liability**

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2014	\$ 135,660,155	\$ 85,971,016	\$ 49,689,139
Changes for the year:			
Service cost	3,508,850	-	3,508,850
Interest	10,252,003	-	10,252,003
Difference between expected and actual experience	-	-	-
Contributions - employer	-	6,786,549	(6,786,549)
Contributions - employee	-	1,871,200	(1,871,200)
Net investment income	-	4,521,797	(4,521,797)
Benefit Payments	(6,880,887)	(6,880,887)	-
Administrative expense	-	(158,187)	158,187
Other changes	-	-	-
Net Changes	<u>6,879,965</u>	<u>6,140,472</u>	<u>739,493</u>
Balance at June 30, 2015	<u>\$ 142,540,120</u>	<u>\$ 92,111,488</u>	<u>\$ 50,428,632</u>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>1,782,387</u>	-
Total	<u>\$ 1,782,387</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FY 2016	\$ 445,597
FY 2017	445,597
FY 2018	445,597
FY 2019	445,597
FY 2020	0
Thereafter	0

# Employees' Retirement Plan of Washington County

## Summary of Principal Actuarial Assumptions

---

### Methods & Assumptions

Measurement Date:	June 30, 2015
Actuarial Valuation Date:	July 1, 2014 rolled forward to measurement date
GASB 68 Cost Method:	Entry Age Normal
Investment return:	
For recommended funding:	7.75%
For GASB 68:	7.75% - It was assumed that the County would make contributions compliant with an actuarially determined schedule such that the Plan's net fiduciary position was projected to be available to make all projected future benefit payments for current plan members.

Mortality: 83 GAM sex distinct

Salary Scale: 4.00% per year

Turnover: T4

Retirement Age or DROP Election: Rates of retirement are assumed as follows:

	<u>Probability of Retirement</u>
Each year from two years following Early Retirement Date to two years following Normal Retirement Date	10%
Two years following year first eligible for Normal Retirement	50%
Each of next 4 years	25%
7 years after Normal Retirement Date	100%

# Employees' Retirement Plan of Washington County

## Summary of Principal Plan Provisions

---

Effective Date:	July 1, 1972
Plan Year:	7/1/2014 to 6/30/2015
Entry Date:	Date of hire as a Covered Employee
Normal Retirement Date:	Civilian: Attainment of age 60 or 30 years of service; the service requirement is reduced to 25 years for participants that contribute 6.0% of pay  Uniformed: Attainment of age 50 or 25 years of service
Early Retirement Date:	Civilian: Attainment of 25 years of service  Uniformed: Attainment of 20 years of service
Accrued Benefit:	A benefit commencing at normal retirement date equal to 2.00% of average monthly compensation times years of service
Credited Service:	A year of service is credited for each plan year in which an employee is a Covered Employee
Normal Form of Benefit:	Life only annuity
Compensation:	Base compensation. Final benefits based on the average of the 3 highest plan years preceding the date of determination.
Vesting:	100% vesting on completion of 5 years of service
Other Benefits:	Benefits are payable to or on behalf of vested participants who die prior to retirement, who become disabled and qualify for total disability benefits under the plan and who retire early upon meeting the plan's requirements for early retirement. Participants who continue with the company after reaching their normal retirement age will generally accrue additional benefits.

**EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY**

Amendment and Restatement

Generally effective July 1, 2015

# EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY

Amendment and Restatement  
Generally effective July 1, 2015

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# **EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY**

## **Amendment and Restatement Generally effective July 1, 2015**

This amended and restated Plan, the Employees' Retirement Plan of Washington County (the "Plan"), is adopted, generally effective July 1, 2015, by Washington County, Maryland (the "County"). This amended and restated Plan is designed to afford eligible employees an opportunity to increase their security at retirement through participation in a pension plan during their periods of active employment while this Plan remains in effect.

The retirement plan set forth in the Employees' Retirement System of the State of Maryland was created and established on October 1, 1941 and has been amended from time to time. On July 1, 1948, the County Commissioners of Washington County, Maryland became a participating municipality on behalf of certain employees of Washington County, Maryland.

Effective July 1, 1972, the County Commissioners of Washington County, Maryland enacted and adopted by ordinance the "Employees' Retirement Plan of Washington County" (the "Plan"). The Plan has been amended on a number of occasions since that time.

The County adopts this amended and restated Plan, generally effective as of July 1, 2015, subject to such amendments as may be required by the Internal Revenue Service in order that the Plan may qualify as a tax-qualified pension plan and conditioned on such qualification. This amended and restated Plan includes various provisions that are intended to incorporate the provisions of the Pension Funding Equity Act of 2004 and the Pension Protection Act of 2006. Accordingly, the Employer wishes to adopt this amended and restated Plan, generally effective as provided herein, subject, however, to such amendments as may be required by the Internal Revenue Service in order that the Plan may qualify as a tax-qualified defined benefit pension plan and conditioned on such qualification. This amended and restated Plan is to be construed in accordance with the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006 and guidance issued under such Acts.

Except as is otherwise provided in the Plan or by applicable law, the terms of the Plan, as amended and restated, shall apply only on or after July 1, 2015. Except as is otherwise provided in the Plan or by applicable law, the terms of the Plan, as amended and restated, shall apply only with respect to individuals who are Covered Employees of the County on or after July 1, 2015, and the rights, benefits and interests of any employee who died, retired or otherwise terminated his or her employment with the County prior to July 1, 2015 shall be determined under the provisions of the Plan as in effect on the date such former employee died, retired or otherwise terminated his or her employment with the County.

## **ARTICLE 1** **DEFINITIONS**

The following terms, when used in this Plan, have the meanings set forth below, unless different meanings are clearly required by the context:

1.1 **ACCRUED BENEFIT** means the benefit to which a Participant is entitled, pursuant to the provisions of Article 5, expressed as the Normal Form of monthly benefit commencing at Normal Retirement Date or its Actuarial Equivalent. The Accrued Benefit as of any date preceding the Participant's Normal Retirement Date, but expressed as the Normal Form of monthly benefit or its Actuarial Equivalent, shall be the monthly benefit computed pursuant to Section 5.3, 5.7 or 8.1. In no event, however, shall the Accrued Benefit exceed the maximum limitation determined, as of the date of computation, pursuant to Section 5.8.

The portion of the Participant's Accrued Benefit attributable to contributions made pursuant to Sections 4.5 and 4.7 shall be equal to the Actuarial Equivalent of the Participant's Employee Contributions Benefit, expressed as the Normal Form of monthly benefit commencing at Normal Retirement Date. The portion of the Participant's Accrued Benefit attributable to County contributions shall be the remainder, if any, of the Accrued Benefit.

The Accrued Benefit will include, if applicable, the early retirement window benefit provided on Schedule A to the Plan.

1.2 **ACTUARIAL EQUIVALENT OR EQUIVALENT ACTUARIAL VALUE** means the dollar value of any benefit on a specified date, computed as provided in Section 5.10.

Notwithstanding any other Plan provisions to the contrary, the applicable mortality table used for purposes of adjusting any benefit or limitation under Code Section 415(b)(2)(B), (C), or (D) for purposes of satisfying the requirements of Code Section 417(e), is the mortality table prescribed in Revenue Ruling 2001-62 (or such other mortality table published by the Internal Revenue Service using the latest effective date permitted for that table).

1.3 **ACTUARIAL REDUCTION** means a reduction which will cause a benefit with a starting date that precedes a Participant's Normal Retirement Date to be the Actuarial Equivalent of the benefit which would otherwise have been payable commencing on that Normal Retirement Date. However, notwithstanding any factors set forth in the definition of Actuarial Equivalent, the reduction shall be equal to one-half of one percent (0.5%) of the benefit for each month by which the Participant's Benefit Commencement Date precedes the first day of the month coincident with or next following the date on which the Participant would have attained Normal Retirement Age had he or she remained a Participant.

1.4 **ADMINISTRATOR** means the Plan Administrator provided for in Article 11 of this Plan.

1.5 **ANNUITY STARTING DATE** means the first day of the first period for which an amount is paid as an annuity, or in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit.

1.6 APPOINTED OFFICIAL means any County official appointed in accordance with the Annotated Code of Maryland, the Public Local Laws of Washington County, or in accordance with the Constitution of the State of Maryland.

1.7 AVERAGE COMPENSATION means one-third of the sum of the Participant's Compensation for each of the three Plan Years, including the Plan Year during which this determination is made, for which his or her Compensation was the highest. If a Participant has had Compensation for fewer than three years, Average Compensation shall be based on his or her Compensation during his or her entire period of employment with the County.

For purposes of this Section 1.7, Compensation for any Plan Year will be determined as of the first day of the Plan Year. Notwithstanding the preceding, Compensation with respect to a Plan Year will be disregarded if (i) the Participant was not a Participant as of the first day of the Plan Year or (ii) the Participant was on a Leave of Absence on the first day of the Plan Year.

1.8 BENEFICIARY means any person, estate or trust entitled to receive any payments due under this Plan as a result of the death of a Participant.

1.9 CASH-OUT means a distribution, in settlement of a benefit otherwise payable under the Plan and which is the Actuarial Equivalent of the Participant's Employee Contribution Benefit.

1.10 CODE means the Internal Revenue Code of 1986 and the regulations promulgated thereunder, as amended from time to time.

1.11 COMPENSATION means the Covered Employee's annualized base rate of pay from the County in effect each July 1 of the applicable Plan Year, determined without regard to (i) overtime, bonuses and other extra remuneration, (ii) contributions, credits or benefits under this or any other retirement, deferred compensation, fringe benefit or employee welfare benefit plan, or (iii) direct reimbursement for expenses. Notwithstanding the preceding, Compensation includes "elective contributions" which are not includible in gross income under Code §§125, 402(e)(3), 402(h)(1)(B), 403(b) or 132(f)(4), plus deferrals under an eligible deferred compensation plan within the meaning of Code §457(b) and plus employer "pick-up" contributions (under governmental plans) within the meaning of Code §414(h)(2).

Notwithstanding the preceding, the annual Compensation of each Participant taken into account under the Plan for any year may not exceed the dollar limit under Code §401(a)(17). The Code §401(a)(17) dollar limit is \$265,000 for 2015. This dollar limit shall be adjusted automatically at the same time and in the same manner as any cost-of-living adjustment made by the Secretary of the Treasury under Code §415(d) (as modified by Code §401(a)(17)). In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual compensation limit described in the first sentence of this paragraph shall not apply for determination periods beginning before January 1, 2002.

1.12 COORDINATOR means a specific employee of the County to whom certain administrative duties have been delegated by the Administrator.

1.13 COUNTY means Washington County, Maryland. The County shall act through the County Commissioners, except to the extent the County Commissioners have designated authority to act on behalf of the County to any other individual or entity.

1.14 COUNTY COMMISSIONERS means the County Commissioners of Washington County, Maryland.

1.15 COVERED EMPLOYEE means any person employed by the County as a full time employee who is regularly scheduled to work at least 35 hours per week and twelve months each calendar year and who is paid by the County Commissioners or, prior to July 1, 1995, by the Washington County Sanitary Commission. "Covered Employee" also includes any Appointed Official or Elected Official of Washington County. Notwithstanding the preceding, "Covered Employee" does not include any person who is a leased employee. For purposes of this Section 1.15, "leased employee" means any person (other than an employee of the recipient) who, pursuant to an agreement between the recipient and any other person, has performed services for the recipient (or for the recipient and related persons determined in accordance with Code §414(n)(6)) on a substantially full-time basis for a period of at least one year, and such services are under the recipient's primary direction or control.

1.16 EARLY RETIREMENT DATE means, for a Non-Uniformed Participant identified on Exhibit 1, any date that precedes the Participant's Normal Retirement Date and that coincides with or follows the date he or she is first credited with twenty-five (25) Years of Service. For a Uniformed Participant, Early Retirement Date is any date that precedes the Participant's Normal Retirement Date and that coincides with or follows the date he or she is first credited with twenty (20) Years of Service.

1.17 EFFECTIVE DATE means July 1, 2015, the general effective date of this amendment and restatement of the Plan. The initial effective date of the Plan was July 1, 1972. Notwithstanding the preceding, any provisions of this amendment and restatement of the Plan that conflict with the Plan as it existed before the Effective Date and that would bring it into compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and guidance issued under such Acts, are effective retroactively to the effective date of those Acts.

1.18 ELECTED OFFICIAL means any County official elected for a fixed term as specifically provided in the Annotated Code of Maryland, the Public Local Laws of Washington County, or in accordance with the Constitution of the State of Maryland.

1.19 EMPLOYEE CONTRIBUTIONS BENEFIT means the sum of the following amounts (minus any previous distributions):

(a) The contributions made by the Participant on an after-tax basis prior to January 1, 1990 and made by the Participant through salary reduction and "picked up" by the County on or after January 1, 1990, as described in Section 4.5(a)(i); plus

(b) The contributions made by the Participant pursuant to Section 4.7; plus

(c) The contributions, plus earnings previously credited on such contributions, made by the Participant pursuant to Section 4.5(a)(ii), and picked up by another Maryland Employer, all of which are thereafter transferred to the Plan; plus

(d) The contributions, plus earnings previously credited on such contributions, made by the Participant pursuant to Section 4.7(b)(ii), and not picked up by another Maryland Employer, all of which are thereafter transferred to the Plan; plus

(e) Interest on the amounts described in (a) through (d) above, as follows:

(i) For Plan Years other than the Plan Year that includes the Participant's Termination Date, six percent of any amounts contributed or transferred prior to the Plan Year, with such interest computed on June 30 of the Plan Year and compounded annually.

(ii) For the Plan Year that includes the Participant's Termination Date, interest on any amounts contributed or transferred prior to the Plan Year and on any amounts contributed or transferred during the Plan Year, with such interest computed as of the last day of the month coincident with or immediately preceding the Annuity Starting Date, at an annualized rate of six percent.

1.20 EMPLOYER means Washington County, Maryland.

1.21 EMPLOYMENT COMMENCEMENT DATE or REEMPLOYMENT COMMENCEMENT DATE means the later of July 1, 1972 or the date on which a Covered Employee first performs an Hour of Service or first performs an Hour of Service following a Period of Severance. Notwithstanding the preceding sentence, the Employment Commencement Date for a Covered Employee who elects to defer the effective date of his or her participation in the Plan pursuant to Section 2.2 shall be the date on which the Covered Employee elects to commence participation.

1.22 LEAVE OF ABSENCE means an absence from active service with the County, approved in advance by the County, that does not constitute a termination of employment.

1.23 LIMITATION YEAR means, for purposes of the application of the provisions of Code §415, the calendar year, unless otherwise provided by adoption of a written resolution by the County.

1.24 MARYLAND EMPLOYER means the State of Maryland and any other political subdivision within the State of Maryland.

1.25 MARYLAND EMPLOYER RETIREMENT PLAN means a retirement plan that is sponsored by a Maryland Employer, provided such plan is a defined benefit plan operated on an actuarial basis.

1.26 MARYLAND STATE RETIREMENT SYSTEMS means, collectively, the Employees' Retirement System of the State of Maryland and the Employees' Pension System of the State of Maryland.

1.27 NON-UNIFORMED COVERED EMPLOYEE means any Covered Employee who is not a Uniformed Covered Employee.

1.28 NON-UNIFORMED PARTICIPANT means any Non-Uniformed Covered Employee who is currently a Participant under the Plan, including, where appropriate according to the context of the Plan, any former Non-Uniformed Covered Employee who is or may become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

1.29 NORMAL RETIREMENT AGE means, for a Non-Uniformed Participant identified on Exhibit 1, the earlier of (i) the Participant's sixtieth (60th) birthday or (ii) the date on which he or she is credited with thirty (30) Years of Service. For a Uniformed Participant, Normal Retirement Age means the earlier of (i) the Participant's fiftieth (50th) birthday or (ii) the date on which he or she is credited with twenty-five (25) Years of Service. For a Non-Uniformed Participant identified on Exhibit 2 or whose Employee Commencement Date is on or after July 1, 2013 (see Section 4.5(a)(ii)), Normal Retirement Age means the earlier of (i) the Participant's sixtieth (60th) birthday or (ii) the date on which he or she is credited with twenty-five (25) Years of Service.

1.30 NORMAL RETIREMENT DATE means the first day of the month coinciding with or next following a Participant's Normal Retirement Age.

1.31 ONE-YEAR PERIOD OF SEVERANCE means a 12 consecutive month period beginning on a Covered Employee's Termination Date and ending on the first anniversary of such date provided the Covered Employee during such 12 consecutive month period does not perform an Hour of Service.

1.32 PARTICIPANT means any Covered Employee who participates in the Plan as provided in Article 2. A Participant shall continue to be a Participant as long as he or she is entitled to receive or is receiving a Plan benefit.

1.33 PERIOD OF SERVICE means a period of service commencing on the Covered Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Covered Employee's Termination Date; provided, however, Period of Service also shall include a Period of Severance immediately following such Period of Service if the Period of Severance is less than a One-Year Period of Severance because the Covered Employee completes an hour of service within 12 months of the date on which the Covered Employee was first absent from service.

1.34 PERIOD OF SEVERANCE means a period of time commencing on a Covered Employee's Termination Date and ending on the date the Covered Employee again is credited with an Hour of Service.

1.35 PER-PAY COMPENSATION means the Participant's base pay per pay period, determined without regard to: (i) overtime, bonuses and other extra remuneration; (ii) amounts in excess of the per-pay equivalent of the applicable dollar limit under Code §401(a)(17), as adjusted for increases in the cost of living pursuant to Code §401(a)(17)(B) of the Internal Revenue Code, in effect on the first day of the Plan Year; (iii) contributions, credits or benefits under this Plan or under any other retirement, deferred compensation, fringe benefit or employee welfare benefit plan, or (iv)

direct reimbursement for expenses. Notwithstanding the preceding, Per-Pay Compensation includes any amount that would have qualified as base pay if it had not been deducted from the Participant's pay pursuant to a salary reduction election under Code §§ 125 or 132(f)(4), a deferral under an eligible deferred compensation plan within the meaning of Code § 457(b) or a "pick-up" contribution (under governmental plans) within the meaning of Code § 414(h)(2).

1.36 PLAN means the Employees' Retirement Plan of Washington County as set forth in this document and as amended from time to time.

1.37 PLAN YEAR means the 12 month period beginning each July 1 and ending each June 30 during which this Plan is in effect.

1.38 PRE-EMPLOYMENT MILITARY SERVICE means active military duty in the Armed Forces of the United States which precedes a Participant's Employment Commencement Date.

1.39 TERMINATION DATE means the earliest to occur of (a) a termination of employment by reason of resignation, discharge, mutual agreement, total and permanent disability, retirement or death; (ii) the date on which a Leave of Absence expires without a return to active employment; or (iii) the date on which the individual ceases to be a Covered Employee. Notwithstanding the foregoing provisions of this Section, an Employee who is absent from service with the Employer solely by reason of military service under circumstances by which such Employee is afforded reemployment rights under any applicable Federal or State statute or regulation, will be deemed not to have quit or have been absent from service with the Employer if he or she returns to service with the Employer before the expiration of such reemployment rights; provided, however, in the event that the Employee fails to return to service with the Employer before the expiration of such reemployment rights, he or she will be deemed to have quit on the first day on which the Employee was first absent from service with the Employer by reason of such military service.

Solely for purposes of determining whether a Termination Date has occurred, a Termination Date shall not occur for a Participant until the second anniversary of the first date on which the Participant is absent from employment with the County for maternity or paternity reasons. For purposes of this Section, an absence from employment for maternity or paternity reasons shall mean an absence due to (a) the pregnancy of the Participant, (b) the birth of a child of the Participant, (c) the placement of a child with the Participant, or (d) the caring of such child by the Participant for a period beginning immediately following such birth or placement.

1.40 TRUST means the trust established under this Plan or under a separate trust agreement which forms a part of this Plan.

1.41 TRUST FUND means the assets of the Trust.

1.42 TRUSTEE means the trustee of the Trust serving as such from time to time.

1.43 UNIFORMED COVERED EMPLOYEE means any Covered Employee who is employed as sworn sheriff's personnel.



1.44 UNIFORMED PARTICIPANT means a Uniformed Covered Employee who is currently a Participant under the Plan, including, where appropriate according to the context of the Plan, any former Uniformed Covered Employee who is or may become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

1.45 YEARS OF SERVICE.

(a) In General. Years of Service means a Participant's total number of whole years and completed months of Periods of Service (with a partial month of 15 or more days considered a completed month), whether or not such Periods of Service were completed consecutively. For any Participant who elected, before August 31, 1972, to participate in this Plan, Years of Service also includes service credited under the Maryland State Retirement Systems prior to July 1, 1972.

In addition, additional Years of Service may be credited for Leaves of Absence, unused sick leave and purchases and transfers of service, as provided in Article 3.

(b) Other Rules. In determining a Covered Employee's Years of Service, the following rules shall apply:

(i) If a Covered Employee is transferred to a class of employment ineligible for participation in this Plan, but remains employed by the County, except as otherwise provided under the Plan or any Exhibit thereto, the employee shall no longer accrue Years of Service for benefit accrual purposes or for vesting purposes under this Plan.

(ii) If an employee is transferred from an ineligible class to an eligible class of employment for participation in this Plan, except as otherwise provided under the Plan or any Exhibit hereto, the Covered Employee shall not receive Years of Service for any of the Covered Employee's prior service (except with respect to any service rendered while a prior Participant of this Plan in accordance with the provisions of this Plan at that time) with the County for benefit accrual or for vesting purposes under this Plan.

(iii) A Covered Employee whose employment has been interrupted by a One-Year Period of Severance and who later is reemployed and receives credit for service under subparagraph (a)(ii) shall be deemed to be a Participant as of the date of the Covered Employee's reemployment. A Covered Employee who terminates employment and is rehired prior to incurring a One-Year Period of Severance shall be deemed to be a Participant as of the date of the Covered Employee's reemployment. For purposes of this subparagraph (a), a person's date of reemployment shall be the first date following the person's reemployment on which he or she first receives credit for an Hour of Service because of the performance of duties for the County.

(iv) In all other cases, upon the reemployment of a former Participant, the former Participant shall be regarded for all purposes as a new employee and shall be eligible to participate after he or she meets the eligibility requirements of Section 1.15 and Article 2.

(v) Notwithstanding the foregoing subparagraphs (a)(iii) and (a)(iv), if a Participant who had terminated employment with a vested benefit is reemployed, and the Participant

has received, is receiving or is eligible to receive benefits under the Plan when he or she is reemployed, the benefits (if any) to which the Participant was entitled under the Plan prior to such reemployment shall be suspended until the earlier of the Participant's (1) subsequent retirement, (2) termination of employment, (3) death, or (4) required distribution date determined under the Plan. Upon the subsequent commencement of benefit payments to the Participant following such suspension, the monthly amount of the Participant's benefit payable shall be determined by taking into account the Participant's reemployment; provided, however, that any Years of Service for which the Participant has received a "cash-out distribution" shall be disregarded (unless the cash-out distribution is repaid as provided below) and any benefits payable with respect to the Participant's reemployment will be reduced or offset as and to the extent permitted by applicable law by any benefits previously paid to the Participant and/or by any actuarial adjustments provided hereunder due to the Participant's suspension of benefits.

In the event of the retirement or the termination of employment of such a Participant following such suspension, the monthly amount of the Participant's pension payable following such retirement or termination of employment shall be no less than the monthly benefits previously being provided under the form of benefit chosen by the Participant at his or her initial retirement. If a Participant dies during the period of such a suspension and prior to such a subsequent retirement or termination of employment, the Participant's Beneficiary shall be entitled to the benefit, if any, provided under the form of benefit chosen by the Participant at his or her initial retirement and to any other death benefit provided under the Plan.

(vi) Anything in this Plan to the contrary notwithstanding, Years of Service for benefit accrual purposes shall not be granted for service for which the Participant had previously received a distribution of his or her entire benefit under the Plan.

(vii) Any Participant who has received a cash-out distribution of his or her Employee Contributions Benefit is entitled to make a repayment to the Plan to restore the Participant's benefit accrual Years of Service which otherwise would be disregarded, subject to the following:

(A) All repayments must be made no later than the Participant's Benefit Commencement Date;

(B) The repayment must be made in cash; and

(C) The amount of the repayment must be the Actuarial Equivalent amount of that portion of the Participant's projected benefit attributable to Years of Service with respect to which the cash-out distribution was received.

(viii) A Covered Employee who is absent from service with the County or an Affiliated Company solely by reason of military service under circumstances by which such Covered Employee is afforded reemployment rights under any applicable Federal or State statute or regulation, such Covered Employee shall be deemed not to have quit or have been absent from service with the County or an Affiliated Company if such Covered Employee returns to service with the County or an Affiliated Company before the expiration of such reemployment rights; provided, however, in the event such Covered Employee fails to return to service with the County or an

Affiliated Company before the expiration of such reemployment rights, such Covered Employee shall be deemed to have quit on the first day on which such Covered Employee was first absent from service with the County or an Affiliated Company by reason of such military service.

## **ARTICLE 2**

### **ELIGIBILITY FOR PARTICIPATION**

2.1 **INITIAL ELIGIBILITY.** Each Covered Employee who is a Participant on the Effective Date will continue as a Participant in the Plan on the Effective Date.

2.2 **SUBSEQUENT ELIGIBILITY.** Each person who becomes a Covered Employee after the Effective Date will become a Participant on the date he or she first performs an hour of service for the County as a Covered Employee.

2.3 **PARTICIPATION AS CONDITION OF EMPLOYMENT.** Except for Covered Employees who, before July 1, 1972, elected to retain participation in the Maryland State Retirement Systems, a Covered Employee's participation in the Plan and the agreement to make contributions, as provided in Section 4.5 is a mandatory condition of employment.

2.4 **REHIRED PARTICIPANTS.** A Participant whose employment with the County terminates and who is rehired will be eligible to participate in this Plan on his or her Reemployment Commencement Date.

2.5 **WINDOW BENEFIT ELIGIBILITY.** From time to time, the County may approve an early retirement window benefit under the Plan. Notwithstanding any other eligibility provisions contained in this Article 2, each Employee who meets the applicable requirements on Schedule A to the Plan shall be eligible for an early retirement window benefit as described on Schedule A to the Plan.

## **ARTICLE 3**

### **CREDIT FOR SERVICE**

3.1 **LEAVE OF ABSENCE.** Years of Service will be credited for a Leave of Absence (or any portion thereof) during which a Participant receives payment directly from the County. Except as otherwise provided in this Section 3.1, Years of Service will not be credited for a Leave of Absence (or any portion thereof) during which a Participant does not receive payment directly from the County. However, a Participant may elect to receive credit for Years of Service with respect to a Leave of Absence during which he or she does not receive payment directly from the County. If a Participant does so elect, he or she shall be required to pay over to the Plan, in one lump sum payment, an amount equal to the Participant contributions he or she would have been required to make pursuant to Section 4.5 had the Participant remained in active service during the Leave of Absence (based on what the Participant's Per-Pay Compensation would have been in his or her last paycheck prior to the Leave of Absence if the Participant had worked his or her regularly-scheduled hours).

A Participant (or his or her Beneficiary) who is on a Leave of Absence remains eligible for death benefits under Section 7.3. However, a Participant who is on a Leave of Absence shall not be eligible for disability benefits under Section 5.7.

3.2 UNUSED SICK LEAVE. Prior to his or her Annuity Starting Date, a Participant may make an election to exchange unused sick leave that has not been cashed in. The election shall be made in writing to the Coordinator.

(a) A Participant who wishes to retire on account of normal retirement, but who does not have the necessary Years of Service, may elect to exchange unused sick leave for additional Years of Service applied to render the Participant eligible for normal retirement.

(b) A Participant who wishes to retire on account of early retirement, but who does not have the necessary Years of Service, may elect to exchange unused sick leave for additional Years of Service applied to render him or her eligible for early retirement.

(c) A Participant who wishes to retire on account of normal retirement, and who has attained his or her Normal Retirement Date but has fewer than 50 Years of Service (fewer than 30 Years of Service for Plan Years beginning before July 1, 2001), may elect to exchange unused sick leave for additional Years of Service (but only to the extent that total Years of Service do not exceed 50 (30 for Plan Years beginning before July 1, 2001)) applied to calculate the amount of the Participant's normal retirement benefit.

(d) A Participant who wishes to retire on account of early retirement and who has reached his or her Early Retirement Date may elect to exchange unused sick leave for additional Years of Service applied to reduce the Actuarial Reduction for early commencement of benefits (or applied to calculate the amount of the Participant's normal retirement benefit, if such application produces a higher retirement benefit).

(e) Unused sick leave shall be exchanged at the rate of one-twelfth (1/12) of a Year of Service for each 22 days of sick leave. Any unused sick leave remaining after crediting unused sick leave in multiples of 22 days shall not be available for exchange under this Section 3.2.

3.3 PURCHASE AND TRANSFER OF SERVICE. A Participant may elect to receive credit for service (whether or not it would be considered a Year of Service had it been performed for the County) purchased with respect to prior County service or transferred from another employer in accordance with Section 3.3(a). If such service is purchased or transferred, the number of Years of Service credited to the Participant shall be adjusted in accordance with Section 3.3(b).

(a) Conditions for Purchase and Transfer.

(i) Any member of a Maryland County Retirement Plan who, without a break in employment, becomes a Covered Employee, may be entitled to elect to receive credit for Years of Service for service recognized under another Maryland County Retirement Plan. Notwithstanding any provision of this Plan to the contrary, benefits with respect to Participants who transfer employment between Maryland governmental employers shall be governed by Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

(ii) Pursuant to Section 4.7(b)(iii), any Covered Employee may elect to receive credit for Years of Service for service performed with the County which is disregarded on account of a Cash-Out.

(iii) Any Covered Employee may elect, at any time, to receive credit for Years of Service for service performed under the federal government PEP or CETA programs (up to a maximum of three years). A Covered Employee who makes such an election must pay over to the Plan the Actuarial Equivalent of that portion of his or her projected benefit attributable to service with such program, subject to limitations set forth in Section 5.8.

(iv) Any Covered Employee who provides the Coordinator with sufficient evidence of military service shall receive service credit for such military service as follows:

(A) If a Participant incurs a Leave of Absence on account of military service, he or she will receive credit for Years of Service as required by the Uniformed Services Employment and Reemployment Rights Act of 1994 or any other federal law.

(B) If a Participant's military service precedes his or her active duty service with the County, he or she will receive credit for Years of Service to the extent of his or her active military service in the Armed Forces of the United States (to a maximum of three years) provided that the Participant earns at least five Years of Service (actual County credited service other than military or transferred service).

(C) A Participant may not receive service credit for military service: (1) if the military service has been previously recognized by another Maryland State system (ADD or local retirement or pension), or (2) if the Participant is entitled to receive a benefit (except for disability benefits, Social Security benefits or benefits under the National Railroad Retirement Act) from another retirement system on account of such military service or (3) if the military service was connected with inactive or reserve military status.

(b) Amount of Credited Service.

(i) The Participant shall receive full credit for all Years of Service purchased or transferred pursuant to Section 3.3(a).

(ii) Notwithstanding clause (i), if a Participant retires (within the meaning of Title 37 of the State Personnel and Pension Article of the Annotated Code of Maryland) within five years after the date of transferring service into this Plan pursuant to Section 3.3(a)(i), the portion of the Participant's Accrued Benefit payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the other Maryland County Retirement Plan with respect to that service if the Participant had remained a participant in that other Maryland County Retirement Plan.

**ARTICLE 4**  
**CONTRIBUTIONS**

4.1 EMPLOYER CONTRIBUTIONS. The funding of the Plan and payment of benefits hereunder shall be provided for through the medium of the Trust. The County's contributions shall be payable at such intervals and in such amounts as may be determined by the actuaries for the Plan. The County, from time to time, shall make contributions to the Trust in amounts determined, in accordance with generally accepted actuarial principles, to be sufficient to support the contributions and transfers made pursuant to Section 5.4, and the contributions and transfers made pursuant to Section 5.5, and to fund the benefits provided by the Plan.

4.2 EMPLOYER'S RIGHT TO SUSPEND OR REDUCE CONTRIBUTIONS. The County intends to continue the Plan and make regular contributions to the Fund, but the County reserves the right to suspend or reduce contributions to the Plan.

4.3 DISPOSITION OF FORFEITURES. Any forfeiture arising under the provisions of the Plan shall be used to reduce the then current or future costs of funding the benefits provided in the Plan.

4.4 ACTUARIAL EVALUATION. The County shall, at least once every Plan Year, cause the liabilities of the Plan to be evaluated by an enrolled actuary who shall report to the County as to the soundness and solvency of the Trust and the amount of the County contribution sufficient to meet the requirements of Section 4.1.

4.5 PICK-UP CONTRIBUTIONS. Under limited circumstances described below, Participant contributions, picked up by the County or by another Maryland Employer, may be accepted by the Plan.

(a) Types of Contributions/Transfers

(i) County Pick-Up Contributions of Participants With Employment Commencement Dates Before July 1, 2013. In accordance with rules established by the County, (A) commencing on September 1, 2013, each Non-Uniformed Participant with an Employment Commencement Date before July 1, 2013, shall be required to make contributions to the Plan equal to the percentage specified in the following paragraph, and (B) commencing on his or her Employment Commencement Date, each Uniformed Participant with an Employment Commencement Date before July 1, 2013, shall be required to make contributions to the Plan equal to 6.0% of his or her Per-Pay Compensation.

Each Non-Uniformed Participant identified on Exhibit 1 will make contributions at 5.5% of his or her Per-Pay Compensation. Each Non-Uniformed Participant identified on Exhibit 2 will make contributions at 6.0% of his or her Per-Pay Compensation.

Each Participant who is on a Leave of Absence during which the Participant receives payment directly from the County also shall be required to make contributions to the Plan equal to (A) in the case of a Non-Uniformed Participant specified on Exhibit 1, 5.5% of his or her weekly payment, (B) in the case of a Non-Uniformed Participant specified on Exhibit 2, 6.0% of his or her weekly payment, and (C) in the case of a Uniformed Participant, 6.0% of his or her weekly payment. The Participant contributions referred to in this Section 4.5(a)(i) shall be picked up by the County, as described in Code §414(h)(2), deducted from the pay of the contributing Participants as

salary reduction contributions, and paid by the County to the Trustees with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The contributions made pursuant to this Section 4.5(a)(i) shall be made a part of the Participant's Employee Contributions Benefit; that is, a part of his or her Accrued Benefit. (Before January 1, 1990, the contributions referred to in this Section 4.5(a)(i) were made on an after-tax basis.)

(ii) County Pick-Up Contributions of Participants With Employment Commencement Dates On or After July 1, 2013. Notwithstanding the preceding, in accordance with rules established by the County, commencing on his or her Employment Commencement Date, each Non-Uniformed Participant and Uniformed Participant whose Employment Commencement Date is on or after July 1, 2013 shall be required to make contributions to the Plan equal to 6.0% of his or her Per-Pay Compensation. Each Participant covered by this Section 4.5(a)(ii) who is on a Leave of Absence during which the Participant receives payment directly from the County also shall be required to make contributions to the Plan equal to 6.0% of his or her weekly payment. The Participant contributions referred to in this Section 4.5(a)(ii) shall be picked up by the County, as described in Code §414(h)(2), deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Trustees with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The contributions made pursuant to this Section 4.5(a)(ii) shall be made a part of the Participant's Employee Contributions Benefit; that is, a part of his or her Accrued Benefit.

(iii) Transfer of Pick-Up Contributions from Other Maryland Employers. Pursuant to the provisions of Section 3.3(a), the Trust may accept a transfer of monies directly from another Maryland Employer Retirement Plan. Such transfer shall consist of contributions made by the Participant, but characterized by that other Maryland Employer as employer pick-up contributions, plus earnings previously credited upon such contributions. Such amounts shall be made a part of the Participant's Employee Contributions Benefit; that is, a part of his or her Accrued Benefit.

Notwithstanding any provision of this Plan to the contrary, benefits with respect to Participants who transfer employment between Maryland governmental employers shall be governed by Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

(b) Suspension of Contributions. A Participant's salary reduction contributions shall be automatically suspended for any payroll period during which the Participant is not a Covered Employee or with respect to a Leave of Absence during which the Participant does not receive payment directly from the County.

(c) Vesting of Pick-Up Contributions. Notwithstanding any other provision of this Plan, Participant contributions, picked up either by the County or by other Maryland Employers and made or transferred to the Plan, are fully vested at all times.

(d) Payment of Benefits. Subject to the right of withdrawal described in Section 4.8, benefits purchased from the Participant's contributions are payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary as the remainder of the Participant's Accrued Benefit.

(e) Plan Termination. Notwithstanding any provision of Section 9.3, if the Plan is terminated, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Trust, other than those attributable to contributions made pursuant to Section 4.7.

4.6 ROLLOVER CONTRIBUTIONS. A Participant may contribute to the Plan a Rollover Contribution, as defined in this Section, only as permitted under this Section.

(a) Effective Date. At the discretion of the Administrator, this Section 4.6 will become effective on or after July 1, 2002, as determined by the Administrator, and nothing in this Section shall apply to the Plan before the date, if any, set by the Administrator.

(b) Definition of Rollover Contribution. "Rollover Contribution" means an amount contributed to the Plan on or before the 60th day after the day the contributing Covered Employee received it, if the amount received by the Covered Employee is a distribution which is eligible for rollover to the Plan under Code §402 and is a distribution from one of the following: (i) another retirement plan qualified under §401(a) or 403(a) of the Code; (ii) to the extent permitted under the Code, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), an individual retirement account or annuity described in Code §§408(a) or (b), but only if the distribution would otherwise be includible in gross income; (iii) to the extent permitted under the Code, as amended by EGTRRA, a distribution from an annuity contract described in Code §403(b); or (iv) to the extent permitted under the Code, as amended by EGTRRA, an eligible plan under Code §457(b) 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.

The term "Rollover Contribution" also means assets representing a Participant's nonforfeitable interest in another retirement plan qualified under §401(a) or 403(a) of the Code, or in a conduit individual retirement account or annuity, which assets have been transferred directly from the trustee (or other fiduciary) of such other plan, account or annuity to the Trustees of this Plan; provided, however, that such direct transfer shall not be accepted by the Trustee unless (A) the transfer constitutes an "elective transfer" under §1.411(d)-4 Q&A-3(b) of regulations promulgated by the Secretary of the Treasury, (B) the plan from which the transfer is made provides no protected benefits under §411(d)(6) of the Code which are not already provided under the Plan and (C) the transfer constitutes a direct rollover under §402 of the Code.

In addition to the preceding, to the extent permitted under the Code, as amended by EGTRRA, the term "Rollover Contribution" shall further mean a direct rollover contribution of a distribution from an annuity contract described in Code §403(b), excluding after-tax contributions, or from an eligible plan under Code §457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

The Administrator may reject any Rollover Contribution which is not qualified to be a Rollover Contribution to the Plan under the foregoing or under the Code. The Administrator may make all investigations necessary to determine whether any amount submitted as a Rollover Contribution may be received.



(c) Vesting of Rollover Contributions. Notwithstanding any other provision of this Plan, a Participant's Rollover Contributions are fully vested at all times.

(d) Payment of Benefits. Benefits attributable to a Participant's Rollover Contributions are payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary as the Participant's Accrued Benefit. Such benefits are in addition to the Plan's Accrued Benefit and are not subject to the limitation described in Section 5.8.

(e) Plan Termination. Notwithstanding any provision of Section 9.3, if the Plan is terminated, distribution to each Participant of the portion of his or her Accrued Benefit that is attributable to Participant contributions under Section 4.7 or Rollover Contributions under this Section 4.6 shall be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Trust.

4.7 OTHER PARTICIPANT CONTRIBUTIONS. Under limited circumstances, as described below, other Participant contributions may be accepted by the Plan.

(a) Characterization. The contributions made pursuant to this Section 4.7 are distinct from those made pursuant to Section 4.5 as to the character of such contributions. Whereas Section 4.5 contributions are classified as County, or other Maryland Employer, contributions picked up from the pay of Participants, contributions made pursuant to this Section 4.7 are either made directly by the Participant or transferred directly from another Maryland Employer Retirement Plan.

Notwithstanding any provision of this Plan to the contrary, benefits with respect to Participants who transfer employment between Maryland governmental employers shall be governed by Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

(b) Types of Contributions.

(i) Leave of Absence Purchase of Service Credit. A Participant on a Leave of Absence who elects to purchase service credit pursuant to Section 3.1 shall contribute to the Plan the amount required under Section 3.1.

(ii) Direct Transfer From Another Maryland Employer Plan. The Trustees shall accept a direct transfer of after-tax Participant contributions, together with interest thereon, from another Maryland Employer, provided such contributions were made by a Covered Employee who elects to transfer service from another Maryland Employer Retirement Plan, as described in Section 3.3(a)(i).

(iii) Cash-Out Restoration. If, after a Termination Date: (i) a Participant receives a Cash-Out (either voluntarily or automatically) of his or her Employee Contributions Benefit, and (ii) the Participant again becomes a Covered Employee, Years of Service with respect to which the distribution was received will be disregarded. Notwithstanding the preceding sentence, if the Participant: (i) again becomes a Covered Employee, and (ii) contributes to the Plan, on or before his or her Annuity Starting Date, the Actuarial Equivalent of that portion of the Participant's projected benefit attributable to Years of Service with respect to which the distribution was received,

the Participant's Years of Service before as well as after the Termination Date will be taken into account for vesting and benefit accrual purposes (subject to the remaining provisions of this Article III and subject to Section 6.6).

(iv) PEP/CETA Purchase of Service Credit. A Participant who elects to purchase credit for service performed under the federal government PEP or CETA programs, as described in Section 3.3(a)(iii), shall contribute to the Plan the Actuarial Equivalent of his or her projected benefit attributable to such service.

(c) Procedures. All Participant contributions or transfers made pursuant to this Section 4.7 shall be paid to the Trust.

(d) Vesting of Participant Contributions. Notwithstanding any provision of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 4.7 are fully vested at all times.

(e) Payment of Benefits. Subject to the right of withdrawal described in Section 4.8, benefits purchased from the Participant's contributions are payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary as the remainder of the Participant's Accrued Benefit.

(f) Plan Termination. Notwithstanding any provision of Section 9.3, if the Plan is terminated, distribution to each Participant of the portion of his or her Accrued Benefit that is attributable to Participant contributions under this Section 4.7 or Rollover Contributions under Section 4.6 shall be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Trust.

4.8 WITHDRAWAL OF EMPLOYEE CONTRIBUTION BENEFIT. A Participant who has reached a Termination Date and is credited with at least five Years of Service may elect, at any time, to receive a Cash-Out of his or her Employee Contributions Benefit (including contributions described in Sections 4.5 and 4.7) by filing a written notice with the Coordinator. A Participant who has reached a Termination Date without being credited with at least five Years of Service automatically will have a Cash-Out of his or her Employee Contributions Benefit which will be paid as soon as administratively feasible following the Termination Date. In either case, a Cash-Out shall constitute full payment of all benefits due to the Participant under the Plan.

A Participant who receives a Cash-Out pursuant to this Section 4.8, forfeits the entire remaining portion of his or her Accrued Benefit. Any forfeited amount is subject to restoration as provided in Section 4.7(b)(iii).

## **ARTICLE 5**

### **RETIREMENT BENEFITS**

5.1 NORMAL RETIREMENT BENEFITS. Subject to any limitations provided under the Plan, each Participant who is a Covered Employee on his or her Normal Retirement Age shall be 100% vested in his or her Plan benefit and shall be entitled to receive a monthly pension under this Plan, which shall commence at the later of the Participant's Normal Retirement Date or the first

day of the month coincident with or next following the date of the Participant's actual retirement and continuing for the life of the Participant. The amount of the monthly pension will be one-twelfth of two percent of the Participant's Average Compensation multiplied by his or her Years of Service. For purposes of the preceding sentence, a Participant's Years of Service greater than 50 shall be disregarded.

5.2 LATE RETIREMENT BENEFITS. Subject to the requirements of Section 5.9, if a Participant remains a Covered Employee after the Participant's Normal Retirement Date, the Participant's retirement benefits under the Plan shall not commence until the first day of the month coincident with or next following the Participant's Termination Date. The amount of the Participant's monthly pension will be the amount determined as provided in Section 5.1 as if the Participant had retired on his or her Normal Retirement Date, but adjusted by including any additional Years of Service that accrued after the Participant's Normal Retirement Date (but only to the extent that total Years of Service do not exceed 50 and by taking into account any increases in Average Compensation which may be generated by increases in Compensation earned since his or her Normal Retirement Date.

5.3 EARLY RETIREMENT BENEFITS. If a Participant shall, for any reason except death, retire on or after his or her Early Retirement Date and before his or her Normal Retirement Date, the Participant's retirement shall be considered as Early Retirement. Such a Participant may elect to receive an Early Retirement benefit (payable in accordance with the provisions of Section 5.4) which shall commence on the Participant's Normal Retirement Date or, at the election of the Participant, may commence on the first day of any month following his or her Early Retirement Date and on or before his or her Normal Retirement Date (such commencement date to be determined by the Participant by notice to the Committee in accordance with the rules adopted by the Committee). If a Participant's Early Retirement benefit commences prior to the Participant's Normal Retirement Date, such benefit shall be the pension benefit as computed under Section 5.1, reduced by one-half of one percent (0.5%) for each month by which the Participant's Annuity Starting Date precedes his or her Normal Retirement Date (determined as described in Section 1.3).

#### 5.4 FORMS OF BENEFITS.

(a) Normal Form of Benefit. A Participant's monthly pension benefit, as computed in Section 5.1 above, shall be paid for the Participant's lifetime. Notwithstanding the preceding, if a Participant who elects to receive payment in the normal form of benefit payment dies before receiving in payments the value of his or her Employee Contributions Benefit, determined at the time of his or her Annuity Starting Date, the balance of the value of his or her Employee Contributions Benefit shall be paid to his or her Beneficiary.

(b) Actuarial Equivalent Value Options. In lieu of receiving the monthly pension benefit provided in Section 5.4(a) above, a Participant may elect (as provided in (c), below) to receive his or her pension benefit payable in accordance with one of the following options, which options are of Actuarial Equivalent Value to the benefit to which the Participant was entitled under Section 5.4(a). The options available to a Participant are:

(i) Life Annuity With Period Certain. A life annuity with five, ten (10) or 15 years certain;

(ii) Joint and Survivor Annuity. A joint and 50%, 66-2/3 % or 100% survivor annuity. Notwithstanding the preceding, if a Participant who elects to receive payment in the form of a joint and survivor annuity and the Participant's designated survivor dies before receiving in payments the value of his or her Employee Contributions Benefit, determined at the time of his or her Annuity Starting Date, the balance of the value of the Participant's Employee Contributions Benefit shall be paid to his or her Beneficiary;

(iii) Special Option. Subject to the approval of the Administrator, and the requirements of applicable law, a Participant may make a written request to the Coordinator for any other form of benefit. The determination of whether to provide a form of benefit under this Section 5.4(b)(iii) will be made by the Administrator, in its sole discretion. The Administrator's determination is final and binding and is not subject to review.

(iv) Lump Sum Option. The lump sum option is a Cash-Out distribution of the Participant's Employee Contributions Benefit, as described in Section 4.8, in lieu of all other benefits under the Plan.

(v) Social Security Step-Up Option. The Social Security Step-Up Option, is an annuity that is designed to provide the Participant with a series of payments which, when combined with Social Security benefits received by the Participant, provides a series of substantially equal payments over the lifetime of the Participant. For purposes of this section, it will be assumed that the Participant will begin to receive Social Security benefits at age 62 (whether or not the Participant actually begins to receive Social Security benefits at age 62).

(c) Election of Options. An election of an optional form of benefit under Section 5.4(b) above must be in writing (on a form provided by the Administrator) filed with the Administrator prior to the commencement of retirement benefit payments. If no election is made, then the normal form of benefit in Section 5.4(a), will be deemed to have been elected by the Participant. Once an election of an optional benefit form has been made and filed with the Administrator or has been deemed to have been made, and unless it is rescinded or changed before the commencement of benefit payments or before the purchase of an annuity that will pay the Participant's benefits, it cannot be rescinded or changed by the Participant.

(d) Method of Payment. All benefit distributions shall be in cash (or in annuity contracts as provided herein). The County shall determine, in its discretion, whether the distribution shall be funded through periodic payments made directly from the Trust, or through the purchase of annuity contracts, or whether a combination of such methods of distribution shall be used, and the County shall give to the Trustees such directions and information as may be necessary for the Trustees to carry out the decision of the County. If the County determines that any part of the distribution is to be funded through purchase of an annuity contract for a Participant, the County shall select the form of contract (including a variable annuity) to be purchased and shall direct the Trustees to pay the premium to the issuing company. The County shall direct that all right, title and interest in such contract shall remain in the Trustees under the terms of the Plan and the Participant shall have no right, title or interest therein except to receive the payments, and to change the Beneficiary from time to time. Alternatively, the County may direct that the contract be purchased in the name of the Participant and distributed to him or her free and clear of the Trust, in which case: (i) the contract shall be issued so as to be nontransferable, (ii) it shall not contain a death benefit in

excess of the death benefit provided in Article 7 or in this Article 5, and (iii) it shall not contain provisions that expand upon, change or eliminate any Plan provisions applicable to distributions in annuity form.

5.5 PAYMENTS TO MINORS AND INCOMPETENTS. If the Administrator shall receive evidence satisfactory to it (a) that a Participant or Beneficiary entitled to receive any benefit under this Plan is, at the time when such benefit becomes payable, a minor, or is physically or mentally incompetent to receive such benefit and to give a valid release therefor, (b) that another person or an institution is then maintaining or has custody of such Participant or Beneficiary, and (c) that no guardian, committee or other representative of the estate of such Participant or Beneficiary has been duly appointed, the Administrator may authorize the Trustee to make payment of the benefit otherwise payable to such Participant or Beneficiary to such other person or institution, including a custodian under a Uniform Gifts to Minors Act or corresponding legislation (who shall be an adult, a guardian of the minor or a trust company), and the release given by such other person or institution shall be a valid and complete discharge for the payment of such benefit.

5.6 NON-LOCATABLE PARTICIPANTS. The Administrator shall make a reasonable effort to locate all persons entitled to benefits under the Plan. Should the Administrator be unable to locate any person entitled to benefits, such benefits will remain in the Fund and shall be payable to such person at any future date that such person is located by the Administrator. Before the Administrator can deem that a person cannot be located, the Administrator shall send a certified letter to such person at his or her last known address advising the person that benefit payments shall be suspended unless the person responds to such certified letter.

5.7 DISABILITY BENEFITS. The Plan shall pay disability benefits determined in accordance with the following provisions:

(a) Ordinary Disability.

(i) Subject to Section 5.7(c), if a Participant who has completed at least five Years of Service reaches a Termination Date by reason of total and permanent disability (as defined in Section 5.7(a)(ii)), he or she shall be entitled to receive a monthly disability benefit equal to the greater of (A) a monthly amount equal to one-twelfth (1/12) of 25% of his or her Average Compensation determined at the time his or her disability is incurred, or (B) the Participant's Accrued Benefit at the time his or her disability is incurred.

(ii) For purposes of this Section 5.7(a), a Participant shall be considered totally and permanently disabled if (A) the Committee determines, on the basis of a medical examination conducted by a physician or physicians selected by the County, that he or she is totally and permanently prevented from engaging in any occupation or employment for remuneration or profit, and that such condition was not a result of bodily injury in the performance of duty with the County or occupational disease incurred in the performance of duty with the County; and (B) the Participant is eligible for disability benefits under the provisions of the federal Social Security Act as in effect on the date the Participant otherwise becomes eligible for disability benefits under this Section 5.7(a).

(iii) A Participant ceases to qualify for disability benefits under this Section 5.7(a) on the earliest of (A) the date the Participant is no longer eligible for disability benefits under the provisions of the Social Security Act; (B) the date the Participant refuses to submit a report of his or her total earnings when requested by the County if he or she subsequently engages in an occupation or employment for remuneration or profit (other than for purposes of rehabilitation as approved by the Committee; and (C) the date the Participant attains age 65 (for a Participant whose disability is incurred on or before age 60) or the five-year anniversary of the date his or her disability benefits under this Section 5.7 commence (for a Participant whose disability is incurred after age 60). For any disability benefits to be paid under this Section 5.7(a) when the Participant becomes engaged in an occupation or employment for remuneration or profit, the Participant shall be required to report on an annual basis his or her total earnings from that occupation or employment and to provide the Committee with documents satisfactory to the Committee, including his or her federal income tax return, that will substantiate the earnings being reported.

(b) Line of Duty Disability.

(i) Subject to Section 5.7(c), if a Participant (regardless of length of service) reaches a Termination Date by reason of total and permanent disability (as defined in Section 5.7(a)(ii)), incurred as a result of an accident or injury which has been ruled compensable under the Maryland Workers' Compensation Act, the Participant will be entitled to receive a monthly benefit equal to the lesser of (A) the sum of (1) one-twelfth (1/12) of 66-2/3% of his or her Average Compensation determined at the time the disability is incurred, and (2) the Actuarial Equivalent of his or her Employee Contributions Benefit, or (B) one-twelfth (1/12) of his or her Average Compensation determined at the time the disability is incurred.

(ii) For purposes of this Section 5.7(b), a Participant will be considered totally and permanently disabled if the Committee determines, on the basis of a medical examination conducted by a physician or physicians selected by the County, that (A) the Participant is totally and permanently incapacitated as the natural and proximate result of bodily injury in the performance of his or her regular occupation with the County or occupational disease incurred in the performance of duty with the County at some definite time or place, without willful negligence on the Covered Employee's part; and (B) the Participant is unable to engage in his or her regular occupation with the County as a Covered Employee or to be employed by the County in some other position for which he or she is suited or which is appropriate given the Participant's training and experience and (C) the Participant is eligible for disability benefits under the provisions of the federal Social Security Act as in effect on the date he or she otherwise becomes eligible for disability benefits under this Section 5.7(b).

(iii) A Participant ceases to qualify for disability benefits under this Section 5.7(b) on the earliest of (A) the date on which the Committee determines, on the basis of a medical examination conducted by a physician or physicians selected by the County, that the Participant is no longer totally and permanently incapacitated for duty or has sufficiently recovered but refuses to resume his or her regular occupation as a Covered Employee or to be reemployed by the County in some other position for which he or she is suited or which is appropriate given the Participant's training and experience; (B) the date on which the Participant refuses to undergo a medical examination requested by the Committee, provided such a medical examination may not be required more often than once a year; and (C) the date on which the Participant attains age 65 (for a

Participant whose disability is incurred on or before age 60) or the five-year anniversary of the date disability benefits under this Section 5.7(b) commence (for a Participant whose disability is incurred after age 60).

(c) General Provisions Relating to Disability.

(i) Disability benefits shall commence on the first day of the month coincident with or next following the later of (A) the determination of disability by the Committee, and (B) the date the Participant has exhausted all sick leave and any accident and sickness benefits (other than long-term disability) from other programs, exclusive of Social Security, to which the County makes contributions.

(ii) The benefits payable pursuant to this Section 5.7 shall be payable in the Plan's normal form of benefit unless an optional form of payment has been elected pursuant to Section 5.4.

(iii) Notwithstanding Sections 5.7(a)(ii) and 5.7(b)(ii), total and permanent disability under this Section 6.4 shall not include any injury or disease that results from (a) the Participant currently engaging in the illegal use of drugs or narcotics; (b) the Participant inflicting a purposefully self-inflicted injury (while sane or insane); (c) the Participant engaging in any illegal or criminal enterprise or activity; (d) the Participant working on the job while under the influence of alcohol; or (e) the Participant engaging in military service (except to the extent such exclusion is prohibited by applicable law).

(iv) Except as provided in Section 5.7(d), Years of Service shall not be credited for periods during which the Participant received disability benefits pursuant to this Section 5.7.

(v) Benefits with respect to a Participant who is eligible for or has commenced receiving benefits under this Section 5.7 are payable only as provided in Article 7.

(vi) A Participant who is on a Leave of Absence is not eligible to receive disability benefits pursuant to this Section 5.7.

(d) Change in Amount of Benefits. Notwithstanding any of the foregoing provisions of this Section 5.7, if a Participant incurs a disability on or before age 60, as of the first day of the month coincident with or next following his or her sixty-fifth (65<sup>th</sup>) birthday, the Participant will no longer receive the monthly disability benefit calculated pursuant to Section 5.7, but instead shall begin receiving a monthly benefit equal to the amount determined under Section 5.4, with (A) Years of Service credited as if the Participant had remained in active service through his or her Normal Retirement Date, and (B) Average Compensation based on the Participant's Average Compensation on the date he or she incurred the disability. In no case will the Participant be permitted to change the form of payment.

Notwithstanding any of the foregoing provisions of this Section 5.7, if a Participant incurs a disability on or after attaining age 60, as of the first day of the month coincident with or next following the five-year anniversary of the date his or her disability benefits pursuant to this Section

5.7 commence, the Participant will no longer receive the monthly disability benefit calculated pursuant to Section 5.7, but instead will begin receiving a monthly benefit equal to the amount determined under Section 5.4 with (A) Years of Service credited as if the Participant had remained in active service through the five-year anniversary of the date disability benefits commenced, and (B) Average Compensation based on the Participant's Average Compensation on the date he or she incurred the disability. In no case will the Participant be permitted to change the form of payment.

#### 5.8 MAXIMUM LIMITATION ON BENEFITS.

(a) In General. To the extent the provisions of Code section 415 are applicable to the Plan, in no event shall any benefit be payable from this Plan, nor contribution be permitted to this Plan, if such benefit or contribution would cause the Plan or any other plan maintained by the Employer to violate the limitations of section 415 of the Code and the regulations thereunder. For purposes of the Plan's compliance with Code Section 415, "compensation" means compensation as defined in Treasury Regulations Section 1.415(c)-2.

(b) Additional Rules for Certain Employee Contributions. This Section 5.8(b) applies only to the extent, if any, that any employee contributions under Section 4.7 are required to be treated like contributions to a defined contribution plan for purposes of Code Section 415(c) and only with respect to such contributions or other amounts that would be considered annual additions to a contribution plan for purposes of Code Section 415(c).

Notwithstanding any other provision of this Plan, a Participant's total annual additions under this Plan for any Plan Year shall not exceed the lesser of (a) \$53,000 (for the Plan Year beginning in 2015 (as indexed for later years) or (b) 100% of the Participant's compensation for such Plan Year. "Annual additions" for this purpose means the sum of (i) contributions under Section 4.7 of this Plan allocable to the Participant's Plan Account that are determined to be subject to the Code §415(c) limit, (ii) any forfeitures allocable to the Participant's Plan Account and (iii) amounts described in Code §§401(h) and 419A(f)(2).

If a Participant in this Plan participates in any defined contribution plan sponsored by the Employer which is qualified under Code §401(a), his or her annual additions under such plan shall be aggregated with his or her annual additions under this Plan, if any, and his or her annual additions under this Plan shall be reduced, if necessary, so that the aggregate of such annual additions does not exceed the limitations set forth in this Section.

#### 5.9 DISTRIBUTION REQUIREMENTS.

(a) General Rule. This Section is included in the Plan to comply with Code §401(a)(9) and the regulations thereunder. To the extent that there is any conflict between the provisions of Code §401(a)(9) and the regulations thereunder and any other provision in the Plan, the provisions of Code §401(a)(9) and the regulations thereunder will control.

(b) Commencement of Benefits. The distribution of benefits to a Participant who continues employment with the County beyond the Participant's Normal Retirement Date must commence by the first day of April of the calendar year following the later of the calendar year in



which the Participant terminates employment with the County or the calendar year in which the Participant attains age 70½.

For distributions under the Plan made in calendar years beginning on or after January 1, 2003, the Plan will apply the minimum distribution requirements of Code §401(a)(9), to the extent that they are applicable to a governmental plan, in accordance with the Temporary and Final Regulations under Code §401(a)(9) that were released in April 2002, notwithstanding any provision of the Plan to the contrary.

(c) Death Distribution Provisions

(i) Death After Distribution. If the Participant dies after distribution of his or her interest has commenced, the remaining portion of such interest, if any, will be distributed pursuant to the form in which the Participant's interest was being paid prior to the Participant's death.

(ii) Death Before Distribution. If the Participant dies before distribution of his or her interest commences, any benefits payable because of the Participant's death will be distributed pursuant to the provisions of Article 7. If the Participant's spouse is not the beneficiary, the method of distribution must satisfy the incidental death benefit requirements specified in §401(a)(9)(G) of the Code and regulation §1.401(a)(9)-2.

5.10 DETERMINATION OF ACTUARIAL EQUIVALENCE. For purposes of determining present values and lump sum amounts or any optional form of benefit or for any other calculation of Actuarial Equivalent Value that is necessary or appropriate under the terms of the Plan, the Plan will use the UP 84 Mortality Table and an 8.00% annual interest rate.

5.11 DIRECT ROLLOVERS. Notwithstanding any other provision of the Plan to the contrary, any Distributee who is to receive an Eligible Rollover Distribution may elect the direct trustee-to-trustee rollover of the distribution to an Eligible Retirement Plan. A direct rollover election must be made pursuant to the procedures established by the Plan Administrator and must specify the Eligible Retirement Plan to which the direct rollover is to be made. If the Distributee elects a direct rollover as permitted hereunder, the Plan Administrator shall make the rollover as elected. For purposes of this Section, the term "Eligible Rollover Distribution" has the meaning given such term in Code §401(a)(31)(C) and currently means any distribution of all or any portion of the balance to the credit of the Distributee, except (i) any distribution that is one of a series of substantially equal periodic payments (not less frequent than annual) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more, (ii) any distribution to the extent such distribution is required under Code §401(a)(9), and (iii) the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

For purposes of this Section, the term Eligible Retirement Plan has the meaning given such term in Code §401(a)(31)(D) and currently means (i) an individual retirement account described in Code §408(a), (ii) an individual retirement annuity described in Code §408(b) (other than an endowment contract), (iii) an annuity plan described in Code §403(a), (iv) a qualified trust that is a defined contribution plan described in Code §401(a), the terms of which permit the acceptance of

direct rollovers, (v) an annuity contract described in Code §403(b), (vi) an eligible plan under Code §457(b) 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, and (vii) effective January 1, 2008, a Roth IRA described in Code §408A, provided the requirements of Code §408A and the Treasury regulations issued thereunder are satisfied.

For purposes of this Section, the term Distributee includes the Participant and the Participant's surviving spouse. In addition, Distributee includes the Participant's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Code §414(p), with respect to the payee's interest under the Plan. In addition, for distributions to Eligible Retirement Plans described in (i) and (ii) of the preceding paragraph, Distributee also includes the Participant's surviving non-spouse Beneficiary who is a designated beneficiary within the meaning of Code §401(a)(9)(E).

5.12 MILITARY SERVICE BENEFITS. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with §414(u) of the Code.

## **ARTICLE 6** **DEFERRED RETIREMENT OPTION PROGRAM**

6.1 DEFINITIONS. In this Article, the following words have the meanings indicated:

(a) "DROP" means the Deferred Retirement Option Program established, effective July 1, 2001, under this Article 6.

(b) "DROP Participant" means a Participant in the Plan who:

- (i) is eligible to participate in the DROP, as provided below, and
- (ii) elects to participate in the DROP, as provided below.

(c) "DROP Account" means the dollars allocated to a DROP Participant pursuant to this Article. Such accounts will be maintained by the Trustee as entries on its books. The Trustee is not required to set up individual accounts for each DROP Participant.

6.2 ELIGIBILITY FOR DROP. Effective July 1, 2001, a Participant is eligible to participate in the DROP if he or she is eligible for Early or Normal Retirement.

6.3 DURATION OF DROP. An eligible Participant may elect to participate in the DROP for a period not less than one (1) year nor more than five (5) years.

6.4 APPLICATIONS FOR DROP PARTICIPATION.

(a) An eligible Participant who elects to participate in the DROP shall complete and submit a written election form to the Administrator, on the form provided by the Administrator, stating:

(i) the Participant's intention to participate in the DROP and to resign thereafter,

(ii) the period that the Participant desires to participate in the DROP (not to be less than one (1) year or more than five (5) years),

(iii) the Participant's acknowledgment that his or her Accrued Benefit will be frozen as of the first day of his or her participation in the DROP, and

(iv) any other information required by the Administrator or the Trustees to administer the DROP.

(b) Subject to Section 6A.2(c), a Participant's election to participate in the DROP is irrevocable once DROP participation has begun as provided below.

#### 6.5 DROP PARTICIPATION.

(a) A Participant's participation in DROP begins on the first day of the month following acceptance by the Administrator of the Participant's election form and any other information required by the Administrator.

(b) A DROP Participant's participation in the DROP ends on the first day of the month coincident with or next following:

(i) the date that the DROP Participant separates from employment with the Employer,

(ii) the date that the DROP Participant dies, or

(iii) the date that the DROP Participant specifies as the end of the DROP period that is earlier than the date specified under Section 6.4(a)(ii), by delivering to the Administrator written notice of the earlier end date and the intent of the DROP Participant to terminate employment on such earlier date.

#### 6.6 DROP BENEFIT.

(a) As of the effective date of participation in the DROP, the Administrator shall determine the DROP Participant's Accrued Benefit.

(b) During the period that a DROP Participant participates in the DROP, the Administrator shall direct the Trustee to:

(i) credit the DROP Participant's monthly pension benefit to the DROP Account for the DROP Participant's benefit, and

(ii) accrue interest on the amounts calculated under subparagraph (i) for the DROP Participant at the rate of six percent (6%) a year, compounded annually.

(c) A DROP Participant may not receive credit for Years of Service during the period that the DROP member participates in the DROP.

(d) A DROP Participant's compensation during the DROP period may not be:

(i) subject to the employer pickup provisions of Section 4.5 or any reduction as an employee contribution for pension or retirement purposes, or

(ii) used to increase the DROP Participant's Average Compensation.

(e) During the DROP period, the DROP participant shall:

(i) continue to receive any benefits to which he or she is entitled as an employee of Washington County,

(ii) be subject to the personnel law, regulations and policies applicable to an employee of Washington County, and

(iii) receive retirement benefits only to the extent provided in this Article.

(f) Each Plan Year, the Administrator shall provide a DROP Participant with a written accounting of the DROP Participant's balance in the DROP Account. Participant DROP Accounts shall be maintained by the Administrator as entries on its books. No money shall actually be paid into any DROP Account. No assets or funds shall be paid to, held in or invested in any separate trust.

## 6.7 PAYMENT OF DROP ACCOUNT.

(a) At the end of the DROP period, a DROP Participant who terminates employment may request a distribution of the DROP Account in the form of a lump sum or in any other form permitted under the Plan. Any lump sum distribution may be taken in cash or treated as an Eligible Rollover Distribution (if applicable) under Section 5.11. The amount accrued in the DROP Account will be available as soon as practicable following the end of the DROP period, but not sooner than the first day of the month coincident with or next following the end of the DROP period and not later than the first day of February of the next calendar year following the year of the termination of employment. Alternatively, he or she may elect, in a format acceptable to the Administrator, to have the amount accrued in the DROP Account added to his or her Employee Contributions Benefit. Notwithstanding anything in the Plan to the contrary, no interest will accrue on the Participant's DROP Account after the first day of the month coincident with or next following the end of the DROP period.

(b) If the DROP Participant has died, the amount in the Participant's DROP Account will be paid to the Participant's Beneficiary or may be treated as an Eligible Rollover Distribution (if applicable) under Section 5.11. The amount in the DROP Account will be available as soon as practicable following the DROP Participant's death, but not sooner than the first day of the month coincident with or next following the end of the DROP period and not later than the first day of February of the next calendar year following the year of the termination of employment.

6.8 BENEFITS PAYABLE UPON TERMINATION OF EMPLOYMENT.

(a) If a DROP Participant terminates employment at the end of the DROP period, the Trustee shall pay his or her Accrued Benefit, calculated as outlined above as of the beginning of the DROP period, in any form permitted under the Plan.

(b) If a DROP Participant dies before the end of the DROP period, the Participant's Beneficiary will be entitled to any death benefits payable under the terms of the Plan, based on the Participant's Accrued Benefit, calculated as outlined above as of the beginning of the DROP period, in any form permitted under the Plan.

**ARTICLE 6A**  
**IN-SERVICE RETIREMENT PROGRAM**

6A.1 ELIGIBILITY FOR IN-SERVICE RETIREMENT. Effective January 1, 2013, a Participant is eligible to elect an in-service retirement if he or she is eligible for Normal Retirement.

6A.2 APPLICATIONS FOR IN-SERVICE RETIREMENT.

(a) An eligible Participant who elects in-service retirement shall complete and submit a written election form to the Administrator, on the form provided by the Administrator, stating:

- (i) the Participant's intention to elect an in-service retirement,
- (ii) the Participant's acknowledgment that his or her Accrued Benefit will be frozen as of the first day of his or her in-service retirement, and
- (iii) any other information required by the Administrator or the Trustees to administer the in-service retirement.

(b) A Participant's election of in-service retirement is irrevocable once in-service retirement payments have begun as provided below.

(c) Notwithstanding anything in the Plan to the contrary, any DROP Participant who has reached Normal Retirement Age and who is a DROP Participant as of the later of (i) January 1, 2013 or (ii) the date the DROP Participant first receives notification of the option to elect an in-service retirement benefit, may make a one-time irrevocable election to receive in-service retirement payments as provided in this Article 6A. At the option of the DROP Participant, the

payment of the DROP Account of a Participant who makes this conversion election will be made either:

(i) in a lump sum upon the effective date of the conversion election as provided in Section 6A.3, in which case the Participant will no longer participate in the DROP feature of the Plan provided for in Article 6; or

(ii) at the end of the DROP period in accordance with Article 6, in which case the DROP Account would continue to accrue interest as provided in and subject to the provisions of Article 6.

**6A.3 IN-SERVICE RETIREMENT EFFECTIVE DATE.** A Participant's in-service retirement begins on the first day of the month following acceptance by the Administrator of the Participant's election form and any other information required by the Administrator.

**6A.4 IN-SERVICE RETIREMENT BENEFIT.**

(a) As of the effective date of the Participant's in-service retirement, the Administrator shall determine the Participant's Accrued Benefit, and shall pay the Participant's Accrued Benefit in the form of payment elected by the Participant as provided in Section 5.4.

(b) The in-service retirement shall be an actual retirement for all purposes under the Plan.

(c) A Participant who is receiving in-service retirement payments may not receive credit for Years of Service for any period of in-service retirement.

(d) A Participant's compensation during the in-service retirement period may not be:

(i) subject to the employer pickup provisions of Section 4.5 or any reduction as an employee contribution for pension or retirement purposes, or

(ii) used to increase the Participant's Average Compensation.

(e) During the period of in-service retirement, the Participant shall:

(i) continue to receive any benefits to which he or she is entitled as an employee of Washington County,

(ii) be subject to the personnel law, regulations and policies applicable to an employee of Washington County, and

(iii) receive retirement benefits only to the extent provided in this Article.

**6A.5 BENEFITS PAYABLE UPON TERMINATION OF EMPLOYMENT.**

(a) When a Participant who is receiving in-service retirement payments terminates employment, the Trustee shall continue to pay the Participant's retirement benefits in the same amount and form elected by the Participant upon his or her in-service retirement.

(b) If a Participant who is receiving in-service retirement payments dies, the Participant's Beneficiary will be entitled to any death benefits payable under Section 7.2 of the Plan for a Participant who dies after benefits begin.

## **ARTICLE 7**

### **DEATH BENEFITS**

7.1 **DEATH AFTER RETIREMENT BUT BEFORE BENEFITS BEGIN.** Except as provided in Section 7.3, no death benefits are payable on account of a Participant who dies before the payments of his or her benefits under the Plan begin.

7.2 **DEATH AFTER BENEFITS BEGIN.** The death benefits of a Participant who dies after his or her benefits under the Plan begin are those specified, if any, under the form in which the Participant's benefits were being paid.

#### 7.3 **DEATH BENEFITS.**

(a) **General Preretirement Death Benefit.** If a Participant dies before his or her Annuity Starting Date, his or her Beneficiary will be entitled to receive as a single lump sum the benefit described in (i) plus that described in (ii).

(i) An amount equal to the Participant's Employee Contributions Benefit.

(ii) An amount equal to fifty percent (50%) of the Participant's Average Compensation determined at the time of death; provided, however, that the benefit provided by this Section 7.3 will be payable only if the Participant dies before his or her Termination Date and after completing one Year of Service.

(b) **Surviving Spouse Annuity Benefit.** If each of the following conditions are met, the surviving spouse of a deceased Participant is entitled to receive a survivor annuity, in lieu of any other Plan benefit:

(i) The Participant is married on the date of death;

(ii) The Participant's death occurs before his or her Termination Date;

(iii) The Participant has designated his or her surviving spouse as the only primary Beneficiary;

(iv) The Participant attained age 55 and was credited with at least 15 Years of Service before his or her death or would have been eligible to receive either normal retirement benefits pursuant to Section 5.1 or early retirement benefits pursuant to Section 5.3 if the Participant had retired on the day before his or her death; and

(v) The Participant's spouse does not elect to receive the benefit provided in Section 7.3(a).

For purposes of this Section 7.3(b), a survivor annuity is a monthly benefit commencing in the month next following the Participant's death, and continuing for the remainder of the spouse's life, in an amount equal to the benefit the spouse would have received under an immediate joint and 100% survivor annuity pursuant to Section 5.4(b)(ii) if the Participant had retired on the day before his or her death.

(c) The Beneficiary of a Participant who dies while on a Leave of Absence shall be entitled to receive death benefits pursuant to this Section 7.3.

**ARTICLE 8**  
**TERMINATION OF EMPLOYMENT**

8.1 **DEFERRED PENSION BENEFITS.** If a Participant reaches a Termination Date for any reason other than the Participant's Normal Retirement, Early Retirement, disability or death, the Participant shall be entitled to receive a deferred pension benefit commencing at the Participant's Normal Retirement Date and equal to the greater of (i) 100% of the Participant's Employee Contributions Benefit or (ii) the vested percentage of the Participant's Accrued Benefit.

A Participant's vested percentage is determined based on Years of Service on the Termination Date, according to the following schedule:

<b>YEARS OF SERVICE</b>	<b>VESTED PERCENTAGE</b>
Less than 5	0%
5 or more	100%

Notwithstanding the preceding, (i) a Participant who reaches a Termination Date and is credited with at least five Years of Service may elect to receive a Cash-Out of his or her Employee Contributions Benefit, which may be made at any time after the Termination Date; and (ii) a Participant who reaches a Termination Date and is credited with fewer than five Years of Service will automatically receive a Cash-Out of his or her Employee Contributions Benefit, which will be paid as soon as administratively feasible after the Termination Date. Notwithstanding the above, any automatic Cash-Out of an amount greater than \$1,000 (excluding amounts attributable to rollover contributions) will be made as a direct rollover (as defined in Section 5.11) to an individual retirement account described in Code §408(a) for the benefit of the Participant, unless the Participant elects a cash distribution or a rollover or transfer to another Eligible Retirement Plan (as defined in Section 5.11). A direct rollover pursuant to the previous sentence will be made as soon as practicable after the Participant becomes entitled to a distribution.

For purposes of this Section, "amounts attributable to rollover contributions" means amounts contributed to the Plan as rollover contributions within the meaning of Code sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii) and 457(e)(16), together with any earnings or losses allocable to such contributions.





**ARTICLE 9**  
**AMENDMENT AND TERMINATION**

9.1 **EMPLOYER'S RIGHT TO AMEND.** Subject to applicable labor laws, the County shall have the right to amend this Plan in any and all respects at any time and from time to time, including the right to reduce or suspend contributions; provided, however:

(a) that no amendment shall increase the duties or liabilities of the Trustee without its consent;

(b) that no amendment shall deprive any Participant of any of the vested accrued benefits to which he or she is entitled to under this Plan;

(c) that no amendment shall provide for the use of the Fund other than for the benefit of Participant s and Beneficiaries, except as provided in Section 9.3;

(d) that any amendment may be made retroactively; and

(e) that no amendment shall deprive any Participant of any vested interest in his or her Accrued Benefit.

9.2 **AMENDMENT PROCEDURE.** An amendment made under this Article shall be valid only if it is approved by the County Commissioners of Washington County, by amendment to the Public Local Laws of Washington County. Notwithstanding any other provision of County Law, no County resolution or ordinance that relates to the subject matter of the Plan will be effective with respect to the Plan unless the County acts by ordinance to specifically amend the relevant provisions of the Plan.

9.3 **TERMINATION OF THE PLAN.**

(a) The County reserves the right to terminate all or any portion of the Plan or to terminate or limit the participation of any County in the Plan at any time.

(b) In the event of a termination or partial termination, as determined under applicable Internal Revenue Service regulations and rulings, of the Plan, all affected Participants on the date of the termination or partial termination, to the extent required by law, shall have a nonforfeitable right to benefits under this Plan accrued on the date of the termination or partial termination to the extent the same are funded as of such date. In addition, no person who is not a Participant on the date of the termination or, if relevant, a partial termination, may become a Participant on or after that date and no further benefits shall accrue to affected Participants after that date.

(c) Upon termination or partial termination of the Plan as described above, the Administrator, to the extent necessary, shall make provision for any expenses of the Plan and the Administrator shall allocate the assets of the Fund, as appropriate. Upon such allocation of assets, the Administrator shall have the authority to direct the liquidation and distribution of the Fund or to continue the operation of the Plan and the Fund in accordance with their provisions as from time to

time established, including, as necessary, subsequent allocations of the Fund assets among persons entitled to benefits under this Plan in the manner provided in Section 7.2(d). In the event of liquidation, distributions from the Fund on the basis of the most recent allocation of assets, as described in Section 7.2(d), may be made in cash or by means of annuity contracts or certificates of equivalent value.

9.4 ALLOCATION AND DISTRIBUTION. This Section shall become operative upon any of the following events: (a) a complete termination of the County's liability to make further contributions to the Trust; (b) a complete discontinuance of contributions by the County to the Trust; or (c) a complete termination of the Plan. The provisions of this Section also shall become operative in the event of a partial termination of the Plan, but only with respect to that portion of the Plan attributable to the Participants to whom the termination is applicable. The effective date of any termination or discontinuance of contributions shall be as set forth in a resolution adopted by the County. Upon the effective date of any such event, then, notwithstanding any other provisions of the Plan, no persons who are not Participants shall be eligible to become Participants, no further benefits shall accrue and the Accrued Benefits of all Participants not then vested, and not previously forfeited, shall immediately become fully vested.

The allocation and distribution of Plan assets upon Plan termination will be made in a manner determined by the Committee to preclude individual discrimination, by the purchase of annuities or other equitable means of distribution. Notwithstanding any provision of this Plan to the contrary, if the balance of the Trust, as of the date of any event specified in this Section 9.3, exceeds the amount required to fully fund the benefits accrued to that date for all Participants who are then active, retired or disabled, the excess amount shall be returned to the County.

9.5 AUTOMATIC TERMINATION OF CONTRIBUTIONS. The liability of the County to make contributions to the Trust shall automatically terminate upon liquidation of the County, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of creditors,

9.6 TERMINATION PROCEDURE. A termination or discontinuance made under this Article shall be valid only if it is approved by the County Commissioners of Washington County, by amendment to the Public Local Laws of Washington County.

9.7 RELEASE AND DISCHARGE OF ADMINISTRATOR. Notwithstanding the above, in case the Plan is terminated in whole or in part, the Administrator, to the extent permitted under applicable law, shall distribute the assets in the Fund. To the extent permitted by applicable law, when the assets in the Fund shall have been so applied or distributed and the accounts of the Fund shall have been so settled, the Administrator shall be released and discharged from all further accountability or liability respecting the Plan and the Fund (or that part of the Fund so applied or distributed if the Plan is terminated only in part) and shall not be responsible in any way for the further disposition of the Fund (or that part of the Fund so applied or distributed, if the Plan is terminated only in part) or any part thereof so applied or distributed.

**ARTICLE 10**  
**ADMINISTRATION**

10.1 ADMINISTRATION. The Administration of this Plan shall be the responsibility of the following named fiduciaries:

(a) The Trustee with respect to the management, control and investment of the Trust (except to the extent the Trustee is subject to the direction of the Administrator or an investment manager) and the payment of benefits to Participants and their beneficiaries;

(b) The Administrator or other person or persons designated by the Administrator for purposes of determining appeals with respect to denied claims for benefits; and

(c) The Administrator with respect to controlling and managing the administration and operation of the Plan as hereinafter set forth. The Administrator may, through a written instrument, designate other persons to carry out some or all of its fiduciary responsibility.

The authority of each named fiduciary in its designated area of responsibility as aforesaid shall be exclusive, and no named fiduciary shall have either authority or responsibility to exercise any discretion or control other than as specifically delegated to the named fiduciary hereunder. Any person or group of persons or entity may serve in more than one fiduciary capacity with respect to the Plan.

**ARTICLE 11**  
**THE ADMINISTRATOR**

11.1 MEMBERS. The Administrator shall be the Retirement Committee, as established in Section 11.2.

11.2 RETIREMENT COMMITTEE. Except to the extent that the County has retained any power or authority, or allocated duties and responsibilities to another administrator or other fiduciary, the Retirement Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this Article 11, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment advisors, other advisors and specialists, Participants, Beneficiaries and their representatives, in accordance with the following provisions:

(a) The Committee shall consist of those individuals who hold the following positions:

(i) County Administrator or designee;

(ii) Finance Director or designee;

(iii) A County Commissioner, appointed by the County Commissioners

as a whole; and

(iv) Human Resources Director, as Chairman.

In addition to the individuals designated above, until July 1, 2001, the Committee shall also include the following individuals:

(v) One representative of the Sheriff's Department, recommended by the Sheriff and approved by the County Commissioners; and

(vi) Three representatives of Local 67 of the American Federation of State, County, and Municipal Employees, elected by the union membership.

(b) Subject to the right to resign at any time, each member of the Committee shall serve without compensation at the pleasure of the County, and the County may appoint, and may revoke the appointment of, additional members to serve with the Committee as may be determined to be necessary or desirable from time to time. Each member of the Committee, by accepting his or her appointment to the Committee, shall thereby be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his or her duties thereunder.

(c) The Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs. The Committee shall act as a body, and the individual members of the Committee shall have no powers and duties as such, except as provided herein. The Committee shall act by vote of a majority of its members at the time in office (other than those disqualified from voting pursuant to the Committee's rules), either at a meeting or in writing without a meeting.

(d) Except as otherwise provided in this Plan, the determination of the Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on the County, the Trustees, all Participants and Beneficiaries and all those persons dealing in any way or capacity with the Plan.

11.3 RETIREMENT ADVISORY COMMITTEE. There shall be a committee, to be known as the Retirement Advisory Committee, which shall serve as a liaison between the Retirement Committee and Covered Employees.

(a) The Retirement Advisory Committee shall consist of 10 Employees appointed by the Board of County Commissioners.

(b) The members of the Retirement Advisory Committee shall be invited to actuary and investment overviews and will meet from time-to-time to review the Plan.

(c) The Retirement Advisory Committee will present suggestions with respect to the Plan from time-to-time to the Retirement Committee who will determine whether the suggestions should be recommended for approval by the Board of County Commissioners.

11.4 POWERS AND RESPONSIBILITIES. The Administrator shall have the following powers and responsibilities:

- (a) Under advice of counsel, who may be counsel to the County or counsel of its own selection, construing the Plan, and remedying any ambiguities, inconsistencies or omissions.
- (b) Determining all questions relative to the eligibility of employees to be Participants and the benefits of Participants or beneficiaries.
- (c) Establishing reasonable rules for the administration of the Plan.
- (d) Maintaining appropriate records relating to Participants and their beneficiaries.
- (e) Communicating the funding policy to the Trustee and to any investment managers whose duties are to determine the investment policy of the Fund.
- (f) Preparing and filing such reports and returns with respect to the Plan as are required by law.
- (g) Acting for the County before all persons in any matter directly related to the Plan.
- (h) Performing other duties necessary for the administration of this Plan which appear to the Administrator to be necessary or appropriate in order properly to administer and operate the Plan.

The Administrator shall discharge its duties for the exclusive purpose of providing benefits hereunder and defraying the reasonable expenses of operating the Plan and with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

In carrying out its duties herein, the Administrator shall have discretionary authority to exercise all powers and to make all determinations, consistent with the terms of the Plan, in all matters entrusted to it, and its determinations shall be given deference and shall be final and binding on all interested parties.

#### 11.5 CERTIFICATIONS AND INVESTIGATIONS.

(a) Whenever in the administration of the Plan a certification by the County is required to be given to the Administrator, or if the Administrator shall deem it necessary that a matter be proved by certification of the County prior to taking or omitting any action hereunder, such certification shall be duly made, and the matter shall be deemed proved, by an instrument delivered to the Administrator, signed in the name of the County by its duly authorized representative. The Administrator shall be empowered to act, and shall be protected in acting, upon such instrument. Further, the Administrator shall be empowered to act, and shall be protected in acting, upon any notice, resolution, order, offer, telegram, letter or other document believed by the Administrator to be genuine and to have been signed by the proper party or parties.

(b) The Administrator shall not be required to make any investigation to determine the identity or mailing address of any person entitled to benefits under this Plan and shall be entitled to withhold the payment of benefits until the identity and mailing addresses of persons entitled to benefits are certified to it by the County or by such person.

11.6 CLAIMS PROCEDURE. Any person claiming a benefit under the Plan (a "Claimant") shall present the claim, in writing, to the Administrator, and the Administrator shall respond in writing. If the claim is denied, the written notice of denial shall state, in a manner calculated to be understood by the Claimant:

(a) The specific reason or reasons for denial, with specific references to the Plan provisions on which the denial is based;

(b) A description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or information is necessary; and

(c) An explanation of the Plan's claims review procedure.

The written notice denying or granting the Claimant's claim shall be provided to the Claimant within 90 days after the Administrator's receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished by the Administrator to the Claimant within the initial 90 day period and in no event shall such an extension exceed a period of 90 days from the end of the initial 90 day period. Any extension notice shall indicate the special circumstances requiring the extension and the date on which the Administrator expects to render a decision on the claim. Any claim not granted or denied within the period noted above shall be deemed to have been denied.

Any Claimant whose claim is denied, or deemed to be denied under the preceding sentence, (or such Claimant's authorized representative) may, within 60 days after the Claimant's receipt of notice of the denial, or after the date of the deemed denial, request a review of the denial by notice given, in writing, to the Administrator. Upon such a request for review, the claim shall be reviewed by the County Commissioners (or a designated representative) which may, but shall not be required to, grant the Claimant a hearing. In connection with the review, the Claimant may have representation, may examine pertinent documents, and may submit issues and comments in writing.

The decision on review normally shall be made within 60 days of the Administrator's receipt of the request for review. If an extension of time is required due to special circumstances, the Claimant shall be notified, in writing, by the Administrator, and the time limit for the decision on review shall be extended to 120 days. The decision on review shall be in writing and shall state, in a manner calculated to be understood by the Claimant, the specific reasons for the decision and shall include references to the relevant Plan provisions on which the decision is based. The written decision on review shall be given to the Claimant within the 60 day (or, if applicable, the 120 day) time limit discussed above. If the decision on review is not communicated to the Claimant within the 60 day (or, if applicable, the 120 day) period discussed above, the claim shall be deemed to have been denied upon review. All decisions on review shall be final and binding with respect to all concerned parties.

11.7 ADVICE. The Administrator may secure specialized advice or assistance as it deems necessary or desirable in connection with the administration and operation of the Plan and shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, any advice or opinion so obtained.

11.8 LIABILITY; INDEMNIFICATION. No member of the Administrator shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by the member or on the member's behalf as a member of the Administrator, (ii) for any act or failure to act, or any mistake or judgment made by the member, with respect to the business of the Plan, unless resulting from the member's gross negligence or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other member of the Administrator or of any person employed or retained by the Administrator. The County shall indemnify and hold harmless each member of the Administrator from the effects and consequences of the member's acts, omissions and conduct with respect to the Plan, except to the extent that such effects and consequences shall result from the member's own willful misconduct or gross negligence. The foregoing right to indemnification shall be in addition to such other rights as the Administrator 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 may be entitled pursuant to the by-laws of the County, and, if the Administrator is a Covered Employee, service as the Administrator shall be deemed in partial fulfillment of the member's employment function. In all computations, the Administrator shall be entitled to rely fully upon data furnished by the County and upon information furnished it by or on behalf of an employee or employees.

11.9 INSURANCE. The Plan may purchase, as an expense of the Plan, liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason of an act or omission by a fiduciary. In addition, any fiduciary may purchase, from and for the fiduciary's own account, insurance to protect the fiduciary in the event of a breach of fiduciary duty, and the County may also purchase insurance to cover the potential liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

11.10 BONDING. The Administrator shall arrange for such bonding, if any, as is required by law. Bonding in excess of the amount required by law shall not be considered required, but shall be permitted, by this Plan. The costs for such bonding shall be paid by the County or, if the County elects, from the Trust.

11.11 COMPENSATION. The Administrator shall serve without compensation, but all expenses of the Administrator incurred in the performance of duties hereunder shall be proper charges to the Trust and shall be paid therefrom unless the County, in its discretion, chooses to pay such expenses.

11.12 PLAN RECORDS. The Administrator, or the Secretary of the Administrator shall keep or cause to be kept records reflecting administration of the Plan, which records shall be subject to audit by the County. A Participant may examine only those records pertaining directly to the Participant.

11.13 INSTRUCTIONS TO TRUSTEES. The Administrator shall provide appropriate written instructions to the Trustee signed by an authorized member or members of the Administrator



to enable it to make the distributions provided for in the Plan. The Trustee shall be entitled to rely upon any written notice, instruction, direction, certificate or other communication reasonably believed by it to be genuine and to be signed by an authorized member of the Administrator or an officer of the County, and the Trustee shall be under no duty to make investigation or inquiry as to the truth or accuracy of any statement contained therein, unless it knows that the direction or instruction constitutes a breach of the Administrator's or an County's fiduciary responsibility with respect to the Plan.

11.14 INVESTMENT MANAGERS. The County's power to retain the services of an investment manager(s) for the management of (including the power to acquire and dispose of) all or any part of the Fund's assets, shall be limited to the retention of such persons or firms that are registered as investment managers under the Investment Advisers Act of 1940, as Banks (as defined in that Act), or which are insurance companies qualified to manage, acquire or dispose of the Fund's assets under the laws of more than one state, and provided that each of such persons or firms has acknowledged to the Administrator and the Trustee in writing that he or she is a fiduciary with respect to the Plan. In such event, the Trustee shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to invest or otherwise manage any assets which are subject to the management of such investment manager or managers.

## **ARTICLE 12** **MISCELLANEOUS**

12.1 NORIGHT TO EMPLOYMENT. Participation in this Plan shall not give any person the right to be retained in the employ of the County, or any right or interest in this Plan other than as herein provided.

12.2 HEADINGS. The headings and sub-headings in this instrument are inserted for convenience of reference only and are not to be considered in construing the provisions hereof.

12.3 COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

12.4 GOVERNINGLAW. Except to the extent preempted by applicable Federal law, this Plan shall be construed, administered and governed in all respects under and by the laws of the State of Maryland.

12.5 UNIFORM TREATMENT. This Plan shall be administered and construed in a uniform and non-discriminatory manner, treating similarly situated Participants alike.

12.6 RULES AND REGULATIONS. By becoming a Participant, every Participant shall thereby be deemed to have agreed to abide by the rules and regulations of the Administrator made in accordance with this Plan, and to sign all papers necessary for the compliance therewith.

12.7 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN. In the event that all, or any portion, of the distribution payable to a Participant or a Beneficiary shall remain unpaid solely because the Administrator cannot ascertain the whereabouts of the Participant or Beneficiary,

after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, the amount so distributable shall be treated as a forfeiture and used to reduce the contribution for that Plan Year. However, the dollar amount, unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by the Participant or Beneficiary to whom it was payable. If a benefit payable to an unlocated Participant or Beneficiary is subject to escheat pursuant to applicable state law, neither the Trustee nor the County shall be liable to any person for any payment made in accordance with such law.

12.8 NO ASSIGNMENT OF BENEFITS. Except as expressly provided herein, no benefits under the Plan may be assigned or alienated, and the Trustee shall pay all amounts payable hereunder, and shall distribute all assets distributable hereunder, to any person, into the hands of such person and not unto any other person or corporation whatsoever, whether claiming by his or her authority or otherwise; nor may said payments be anticipated. Except as expressly provided herein, the interest of any Participant hereunder may not be assigned or encumbered, nor shall it be subject to attachment or other judicial process. However, deposit to the credit of the account of any person in a bank or trust company designated by such person in writing shall be deemed to be the equivalent of payment into the hands of such person. Notwithstanding the foregoing, amounts held for the benefit of a Participant may be paid in accordance with a "qualified domestic relations order" as defined in Code §414(p) (or a domestic relations order entered before January 1, 1985 which, in the judgment of the Administrator, is entitled to be treated as a qualified domestic relations order), so long as the payment complies with Code §414(p). Notwithstanding the foregoing, amounts held for the benefit of a Participant may be paid in accordance with a domestic relations order, if required under applicable law. Notwithstanding the foregoing, a Participant's benefits under the Plan may be offset if the offset is permitted under applicable law.

12.9 EXCLUSIVE BENEFIT. The Trust Fund shall be held by the Trustee for the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan. No part of the Trust shall ever inure to the benefit of the County prior to the satisfaction of all liabilities to all Participants and their beneficiaries, except that:

(a) Any contribution made to the Trust Fund by the County which is attributable to a mistake of fact may be returned to the County within one year after such contribution was made;

(b) All contributions shall be conditioned on the initial qualification of the Plan under Code §401, and if the Plan does not qualify, then such contributions may be returned to the County within one year after the date of denial of qualification of the Plan.

(c) If a return of contributions pursuant to the foregoing is due to a good faith mistake of fact or a good faith mistake in determining the deductibility of the contribution:

(i) The amount which may be returned to the County is the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact or a mistake in determining the deduction; and

(ii) Earnings attributable to such excess contribution may not be withdrawn, but losses attributable thereto must reduce the amount to be returned.

(d) In the case of the termination of the Plan, any residual assets of the Plan shall be distributed to the County at the direction of the Administrator if all liabilities of the Plan to Participants and their Beneficiaries have been satisfied and the distribution does not contravene any provision of law.

12.10 STATUTE OF LIMITATIONS. No legal action may be commenced or maintained to recover benefits under this Plan more than 12 months after the final review/appeal decision by the Plan Administrator has been rendered (or deemed rendered).

**IN WITNESS WHEREOF**, as evidence of its adoption of this Plan, the County has caused this Plan to be executed, and, if a separate Trust agreement is not entered into between the County and the Trustee, the Trustee has joined herein to evidence its acceptance of the provisions of the Plan applicable to the Trustee, generally effective July 1, 2015.

ATTEST/WITNESS:

**WASHINGTON COUNTY, MARYLAND**

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 1**  
**TO THE**  
**EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY**

The following Non-Uniformed Participants Hired Prior to July 1, 2013 shall contribute at 5.5% of his or her Per-Pay Compensation:

Alidoosti,Sherry S  
Ambrose,Pamela S  
Anders,Donna K  
Bair,Rodney A  
Baker Jr,Durell W  
Ballam,Stephanie L.  
Barnes,Gregory L.  
Barnhart,Dee A  
Barr,John F  
Beall,Brian R  
Belew,Claude T  
Bishop Sr,Rocky L  
Bittinger,Sunni  
Blubaugh,David W  
Bockstanz,Wayne K.  
Boden,Lucinda A  
Bomar,Janis K  
Bowers,Alicia B  
Bowers,Kim L  
Bowers,Rodney L  
Brandenburg,Misti Sue  
Braniff,Karie A.  
Brown,Larry D.  
Brown,Scott E.  
Buchanan,Susan M  
Buell,Joanne R  
Bussard,Dwayne S  
Calandrella,Jamie L  
Callaham,Ruth Anne  
Campbell,Angela M  
Camuti-Carranza,Elizabeth A  
Cerrone,Kevin D  
Cirincion,Regina M  
Cline,Jeffrey A.  
Coccodrilli Jr,Ronald R

Cole, Destini R.  
Collins, Lucinda L  
Cosey, John M.  
Culler, Garrett E.  
Culler, Vicki L.  
Curry, Richard F  
Davis, Mark D.  
Deal, Curtis W.  
Deal, Pamela S  
Dean, Brandon J  
Debes Jr, Leon M.  
Decker, Jeffrey L  
Deneen, David B  
Derr, Ricky W  
Dick, Michael E.  
Dick, Shelly I  
Divelbiss, John D  
DiVito, Daniel F  
Dorsey, Timothy H  
Drake, Michael A  
Drake, Philip A  
Drenner, Pamela J.  
Ebersole, David W  
Eckard, Debra S  
Eichelberger, Richard W  
Elwood, Wade A.  
Embly, Dennis W  
Enderlin, Lisa D  
Eshleman, Andrew E.  
Faith, Donald L  
Faith, Kimberly D  
Farmer, Catherine I  
Feigley, Dwayne E.  
Feiser, Terrance L  
Ferguson, Tina M  
Flores, Michelle D  
Foreman, Christine D  
Gardiner, Jeffrey L  
Garrett, Thomas W  
Gaver, Richard L  
Gist, Harold M  
Glaze, Jamie L  
Godlove II, Larry E  
Golden, Terry L

Goodrich,Stephen T  
Grabill,David L  
Graham,George D  
Greene,Todd E  
Grim,Darin L  
Gross Jr,David L.  
Grove,Richard E  
Gudmundson,John E  
Hansen,Michele F  
Harbaugh,Carmen A.  
Harbaugh,Shawn M.  
Hart,Leslie D  
Hebb Jr,R. Graydon  
Heil,Alicia A  
Helfrick,Angela M  
Helmer,Mary H  
Helser III,Orville H  
Hemphill,Kevin C.  
Hershman,Robert A  
Higgins,Richard W  
Hill,Terry L.  
Hixon,Daniel E  
Hoffman,R Todd  
Hoopengardner,Benjamin E.  
Hoopengardner,Robert E  
Hoover,Paul S.  
Hottinger,Paul A.  
Householder,Roy  
Hovis,James B  
Hyatt,Michael A.  
Imes,Albert C.  
Ingram,Stephen L.  
Irwin,Terry R  
Jamison,Patricia J.  
Jamison,Warren R  
Jenkins,James F  
Jernigan,Sean E  
Johns,Christine E  
Johnson,Lisa J  
Jones,Daniel P  
Jones,Gregory L  
Jones,Patricia M  
Kelly,Lisa A.  
Keltner,Bonnie L

Kidwell,Michael A  
Kimble,Christopher D.  
Kozal,Sarah M.  
Kuhna,Joseph F  
Levey,Barry J.  
Levine,Douglas L  
Lewis,Kevin L.  
Lindley,Justin E  
Lumm,Vicki C  
Lung,Timothy A  
Maginnis,Becky Jo  
Mandley,Robert P  
Manlove,Kimberly A.  
Mann,Mark W.  
Marks,Sherry M  
Martz,Ricky L  
McCammon,Tracy L.  
McCormack,Christopher J  
McKinley,William B.  
Mellott,Jennifer L.  
Mellott,John M  
Melville,Laura K  
Michael,Joseph S  
Miller,Carol A  
Miller,Cody L.  
Mills,Cathy A  
Mills,Shirley L  
Moats,Janet K  
Molina,Brandi N.  
Mollett-Gaumer,Sarah M  
Morris,Stanley N  
Mowery,Samuel L  
Moyseenko,Alexander M.  
Mummert,Mark  
Myers,Brian E  
Myers,Mary F.  
Naugle,Brandi J  
Neisser,Bradley S.  
Nelson,Mary A  
Nelson,Michael W  
Nugent,Frederick A.  
Palmer II,Raymond D  
Palmer Jr,Carl L.  
Palmer,Frank T

Palmer,Steven G  
Parker Jr,Edward L  
Parkinson,David E  
Pennesi,John J  
Pensing,Craig W  
Pereschuk Sr,Earle R  
Peyton,Debra I  
Pfeiffer,Laurie D.  
Phillips III,John W  
Plank,Edwin L  
Plante,Russell A.  
Plummer,James P.  
Poland IV,Bonn A.  
Powell,Eric B  
Priest,Tyler H.  
Quillen Jr,Frank  
Ramos-Izquierdo,Ramiro J  
Rathvon,Joseph M.  
Reedy,William T  
Reynard Jr,Jackie L  
Richards,Edward M  
Ridenour,Phillip G  
Ritter,Jill M  
Robinson,Keith M.  
Rohm,Karen S  
Rohrer,William M  
Rosenthal,Diane M.  
Routzahn Jr,William A  
Royce Jr,Warren E  
Rozes,Arthur S  
Rubeck,Gerald W  
Rupert,Tina I  
Rupp,Michelle E  
Russ,Peggy  
Ryan,Patricia A  
Saville,Merle L.  
Schlotterbeck,Kathy S  
Shanholtz,Tony L  
Shank,Darrell L.  
Shank,Rebekah S.  
Shank,Vinson V  
Sharrar,Dyanne A  
Sheeley,Chester C  
Shifler,Alex M.



Shifler,Michael A  
Shives,Jason E.  
Shoemaker,Ernest W  
Showe,Kenneth L.  
Sipes,Calvin R.  
Smith Jr,Robert L  
Smith Sr,Thomas M.  
Smith,Kenneth L.  
Smith,Michelle L.  
Smith,Robert J.  
Smith,Teresa M  
Smith,Terry L.  
Snyder,Rodney E  
Socks,David W  
Spade,Heather A.  
Spence,Linda A  
Spickler,Greg E.  
Spradlin,Homer A  
Sprecher,Michael L  
Sprecher,Robert R.  
Spring,Jessica L  
Squibb Sr,Patrick J.  
Sterling,James L  
Stevens,Richard R  
Stockslager,Herman E  
Stone,Stephanie M  
Stotelmyer,Steven R.  
Stouffer,Terry W  
Stransky,Mark E  
Stratton,Darlene K  
Strock III,Harry E  
Strong Jr,Charles P  
Summers,Charles R.  
Sutton,Joe L  
Swartz,Joshua D  
Swauger Jr,John W.  
Thomas,Jessica M.  
Thompson,Lockie J  
Timmons,Dwayne E.  
Triggs,Monte H.  
Turnbull,David  
Wachter,Lucinda D  
Ward,Jerry L  
Weller,Tonya L

Whitacre, Jeffrey L  
White III, Thornton F  
Whitman, John B  
Whitt, Ronald N  
Whittington Jr, Robert L  
Wilhide, Pamela S  
Wilson, Brett R  
Wolfe Jr, Emanuel E  
Wolfensberger, James G.  
Woods, Bardona J  
Worden, John A.  
Wright, Brenda K  
Wyand, Andrea C  
Yates, Vicky L.  
Yetter, Mark  
Yost, Pamela S.  
Young, Richard A.  
Yunker, Samuel L  
Yutzy, Davina E

**EXHIBIT 2**  
**TO THE**  
**EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY**

All Non-Uniformed Participants Hired Prior to July 1, 2013 and not identified on Exhibit 1 shall contribute at 6.0% of his or her Per-Pay Compensation.

**SCHEDULE A**  
**TO THE**  
**EMPLOYEES' RETIREMENT PLAN OF WASHINGTON COUNTY**

I. 2011 Early Retirement Incentive

(a) (1) Effective July 1, 2011 each Participant listed in Section I(b) below who satisfies the eligibility criteria set forth in Section I(a)(2) and who elects to retire will receive the early retirement window benefit provided for in this Section I and referred to as the "2011 Early Retirement Incentive".

(2) Each Participant who has reached his or her Early Retirement Date is eligible for the 2011 Early Retirement Incentive. An election to retire and receive the 2011 Early Retirement Incentive must be made pursuant to the rules and procedures established by the County in its discretion.

(3) Except as provided in this Section I, all references in the Plan to the calculation of the Participant's Accrued Benefit or retirement benefit shall be interpreted to include the 2011 Early Retirement Incentive provided for in this Schedule A, if applicable.

(4) Each Participant listed in Section I(b) below shall be entitled to have his or her benefit calculated under the terms of the Plan as though he or she has up to three (3) additional Years of Service (but not in excess of the minimum Years of Service needed to reach Normal Retirement Age).

(b) The following Participants have elected and are entitled to receive the 2011 Early Retirement Incentive described in Section I(a): Steven L. McCarty, Dennis W. Minnick, Terrence N. Taylor, Michael C. Thompson, William V. Stachoviak, Paula A. Blenard, Ronald R. Laughman, John W. Lehman, Kelly Reynard, J. Rob Smith, and Victoria L. McKenzie

## II. 2015 Early Retirement Incentive

(a) (1) Effective January 1, 2015 each Participant listed in Section II(b) below who satisfies the eligibility criteria set forth in Section II(a)(2) will receive the early retirement window benefit provided for in this Section II and referred to as the “2015 Early Retirement Incentive”. The 2015 Early Retirement Incentive shall be in addition to any other benefit that the Participant may be entitled to under the Plan.

(2) Each Participant who is within three years of his or her Normal Retirement Date is eligible for the 2015 Early Retirement Incentive. An election made to retire and receive the 2015 Early Retirement Incentive must be made by January 8, 2015 pursuant to the rules and procedures established by the County in its discretion.

(3) Notwithstanding any other provision of the Plan to the contrary, a Participant who wishes to retire on account of reaching Normal Retirement Age, but who does not have the necessary Years of Service, may elect to exchange unused sick leave for additional Years of Service applied to render the Participant eligible for Normal Retirement or eligible for the 2015 Early Retirement Incentive as described in Section II(a)(2). The Years of Service credited under this Section II(a)(3) shall count for both eligibility to participate in the 2015 Early Retirement Incentive and for Years of Service for benefit accrual purposes. Such Participant may not exchange unused sick leave beyond the minimum number of Years of Service needed to reach Normal Retirement Age. Notwithstanding anything else in the Plan to the contrary, any remaining unused sick leave will be forfeited under the Plan. An election to exchange unused sick leave must be made pursuant to the rules and procedures established by the County in its discretion.

(4) Except as provided in this Section II, all references in the Plan to the calculation of the Participant's Accrued Benefit or retirement benefit shall be interpreted to include the 2015 Early Retirement Incentive provided for in this Schedule A, if applicable.

(5) Participation in the 2015 Early Retirement Incentive Program shall not impact a Participant's eligibility to participate in the DROP set forth in Article 6 or to receive an in-service retirement benefit as set forth in Article 6A.

(6) Each Participant listed in Section II(b) below shall be entitled to have his or her benefit calculated under the terms of the Plan as though he or she has up to three (3) additional Years of Service (but not in excess of the minimum Years of Service needed to reach Normal Retirement Age).

(b) The following Participants have elected and are entitled to receive the 2015 Early Retirement Incentive described in Section II(a):

Crumbacker, Patsy  
Robinson, Keith  
Rohrer, William M  
Shoemaker Ernest  
Wolfensberger, James  
ENTERED DROP/ISRP  
Artz, Kim  
Baker, Durell  
Barnhart, Kenneth  
Bishop Rocky L. Sr.

Bockstanz, Wayne  
Bowers, Kim  
Buchanan, Johnny  
DiVito, Daniel  
Ebersole, Ricky  
Faith, Daniel  
Foltz, Linda  
French, Shane  
Gist, Harold  
Hardy, Ronald  
Householder, Roy  
Kain, John  
Kline, Ricky  
Kroboth, Kathy  
Murray, Debra  
Overcash, Arthur  
Plummer, James P  
Reid, Craig  
Saville, Merle  
Schlotterbeck, Terry  
Snyder, Rodney  
Stone, Stephanie  
Stratton, Darlene K  
Whitman, John  
Whitt, Ron  
Whittington, Darrell  
Woods, Bardona  
Yates, Vicky



COPY

ATTACHMENT NO. 4

WASHINGTON COUNTY, MARYLAND  
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

Effective as of July 1, 1998

Adopted by Board of County Commissioners  
On September 26, 2000

Amended by Board of County Commissioners  
On December 18, 2007 with Amendments  
effective January 1, 2007.



WASHINGTON COUNTY, MARYLAND  
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

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WASHINGTON COUNTY, MARYLAND  
VOLUNTEER LENGTH OF SERVICE AWARD (LOSAP)

Effective as of July 1, 1998

ARTICLE I  
INTRODUCTION AND PURPOSE OF PLAN

1.1 ESTABLISHMENT OF PLAN. Washington County, Maryland (the "County") hereby establishes the Washington County, Maryland Volunteer Length of Service Award Program (the "Plan"), effective as of July 1, 1998. The Plan shall be maintained for the exclusive benefit of Eligible Volunteers who are active members of one or more Washington County fire, rescue, or emergency medical services, or support organizations approved by the Washington County Board of County Commissioners. The Plan is intended to comply with the length of service award plan requirements under section 457 (e) (11) of the Internal Revenue Code of 1986, as amended, and regulations thereunder, and with the length of service award program requirements under the Maryland State Income Tax Subtraction Modification Program (Md. Tax Gen. Code Annotated section 10-208 (I-1)), as amended, and regulations thereunder.

1.2 PURPOSE OF PLAN. The purpose of this Plan is to provide Eligible Volunteers who become covered under the Plan with retirement, disability, and death benefits. Participation in this Plan shall not be construed to establish or create an employment contract between any Eligible Volunteer and the County.

1.3 FALSIFICATION OF INFORMATION. Any person who knowingly makes or causes any false statement or report to be made in any application or in any document required under this Plan may be subject to a fine of \$1,000 under the Maryland Tax-Gen. Code Annotated section 10-208. Any person who knowingly makes or causes any false statement or report to be made regarding any application, document, or other reporting required under this Plan shall be subject to loss of benefits accrued as a result of the false statement or report and shall also be subject to loss of all possible future benefits under the Plan subsequent to the date of the false statement or report.

ARTICLE II  
DEFINITIONS

Whenever used in the Plan, the following terms shall have the meanings as set forth in this Article unless a different meaning is clearly required by the context.

2.1 ACTIVE VOLUNTEER means an Eligible Volunteer who earned at least fifty (50) points in the prior Service Year under the Point System established pursuant to Article VI.

2.2 ACTIVE LOSAP SERVICE CREDIT means credit for a Service Year in which the volunteer is classified as an Active Volunteer (i.e., the volunteer has accumulated a minimum of fifty (50) points under the Point System established pursuant to Article VI).

2.3 ACTUARIAL (LY) EQUIVALENT OR EQUIVALENT ACTUARIAL VALUE means the dollar value of any benefit on a specified date.

2.4 ADMINISTRATOR means the individual or committee responsible for administration of the Plan pursuant to Article VII.

2.5 BENEFICIARY(IES) means the person, person(s), or legal entity entitled to receive benefits under this Plan which become payable in the event of the Participant's death. A Participant's Beneficiary(ies) under the Plan shall be the Participant's spouse, if then living, but otherwise shall be the Participant's then living children under the age of eighteen (18), if any, per capita.

2.6 BOARD OF COMMISSIONERS means the Board of Commissioners of Washington County, Maryland.

2.7 BREAK(S) IN SERVICE shall occur in any Service Year in which an Eligible Volunteer is not classified as an Active Volunteer (i.e., is an Inactive Volunteer).

2.8 CODE means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

2.9 COMPANY means a bona fide County fire, rescue or emergency medical services organization participating under the Plan.

2.10 COUNTY means Washington County, Maryland.

2.11 ELIGIBLE VOLUNTEER. An individual is an Eligible Volunteer fire, rescue or emergency medical services member for the purpose of this Plan if the individual:

(a) is a member of a bona fide Washington County fire, rescue or emergency medical services organization

(b) serves in a volunteer capacity without compensation, except nominal expenses or meals;

(c) has at any time earned a minimum of (1) point under the Point System established pursuant to Article VI; and

(d) is sixteen (16) years of age or older, or has earned at any time a minimum of (1) point under the Point System established pursuant to Article VI prior to reaching the age of sixteen (16) years.<sup>1</sup>

<sup>1</sup> The intent of 2.11(d) is that a person is generally not to be considered an Eligible Volunteer until the person reaches

2.12 INACTIVE VOLUNTEER means an Eligible Volunteer who did not earn a minimum of fifty (50) points in the prior Service Year under the Point System established pursuant to Article VI.

2.13 MARYLAND CODE means the Annotated Code of Maryland, as amended, and the regulations thereunder.

2.14 NORMAL BENEFIT ELIGIBILITY AGE means age sixty-two (62).

2.15 PARTICIPANT means an Eligible Volunteer who participates in the Plan as provided in Article 3, a Retired Volunteer receiving benefits under Section 4.2, or an Active Volunteer receiving Disability benefits under Section 4.5.

2.16 PHOTO TEAM MEMBER means any member of the Photo Team Committee of the Washington County Volunteer Fire and Rescue Association.

2.17 PLAN means the Washington County, Maryland Volunteer Length of Service Award Program as it may be amended from time to time.

2.18 PLAN COMMITTEE (OR COMMITTEE) shall be composed of seven members: County Commissioner, County Administrator, Human Resources Director, Director of Budget & Finance, Director of Emergency Services, County Attorney or designee, and the two (2) County Points Coordinators of the Washington County Volunteer Fire & Rescue Association, or their designee.

2.19 POINT SYSTEM means the Washington County Point System established under Article VI of the Plan.

2.20 RETIRED VOLUNTEER means an Eligible Volunteer currently receiving benefits under Sections 4.2 of the Plan.

2.21 SERVICE YEAR means the calendar year.

### ARTICLE III ELIGIBILITY

3.1 ELIGIBILITY. Each Eligible Volunteer shall be eligible to participate in the Plan.

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the age of 16. However, a person who has earned at least 1 LOSAP point prior to December 18, 2008 shall be considered and shall continue to be considered an Eligible Volunteer irrespective of age if all other 2.11 criteria are met.

ARTICLE IV  
BENEFITS

4.1 BENEFITS UNDER THE PLAN. No benefits under the Plan shall be paid prior to January 1, 2007.

4.2 BENEFIT ELIGIBILITY.

(a) Normal Eligibility Benefit. Effective January 1, 2007, an Active Volunteer who has (1) attained Normal Benefit Eligibility Age and (2) completed a minimum of twenty-five (25) years of Active LOSAP Service Credit, shall receive until his or her date of death a monthly benefit payment of two hundred dollars (\$200), or may elect such Actuarially Equivalent alternate form of benefit as may be available under Section 4.4 of the Plan. Benefit payments shall begin on January 1 coincident with or next following the date on which the Active Volunteer meets the eligibility criteria under this Section and shall be made directly to the Active Volunteer.

(b) Supplemental Benefit. Effective January 1, 2007, in addition to the benefit provided under Section 4.2 (a) above, the Active volunteer shall receive until his or her date of death and additional monthly benefit payment of fifteen dollars (\$15) for each additional year of Active LOSAP Service Credit in excess of twenty-five (25) years, not to exceed a combined monthly payment under Sections 4.2 (a) and (b) of three hundred and fifty dollars (\$350), or, if elected under Section 4.2 (a) above, shall receive the Actuarially equivalent form of benefit elected under Section 4.2 (a) above. Any benefit payments under this Section 4.2 (b) shall begin on or about the January 1 coincident with or next following the Active Volunteer's completion of each such additional year of Active LOSAP Service Credit in excess of twenty-five (25) years.

(c) Age 70 Benefit Eligibility. Effective January 1, 2007, an Active Volunteer who attains age seventy (70), but has not been credited with twenty-five (25) or more years of Active LOSAP Service Credit, shall receive until his or her date of death a monthly benefit payment equal to A multiplied by B, where A equals the Active Volunteer's number of years of Active LOSAP Service Credit and B equals eight dollars (\$8), or may elect such Actuarially Equivalent alternative form of benefit as may be available under Section 4.4 of the Plan.

Following the Active Volunteer's attainment of age seventy (70), benefit payments under this Section shall begin on or about the January 1 coincident with or next following the date on which the Active Volunteer meets the eligibility criteria under this Section and shall be made directly to the Active Volunteer.

Notwithstanding the preceding, if an Active Volunteer receiving benefits under this Section 4.2 (c) subsequently becomes eligible for benefits under Section 4.2(a) of the Plan (i.e. is credited with twenty-five (25) or more years of Active LOSAP Service Credit), benefit payments under Section 4.2 (c) shall cease and the Active Volunteer's benefit shall be determined under Sections 4.2 (a) and (b) of the Plan.

(d) Code section 457 (e) (11) limitation. Notwithstanding any provision of this Plan to the contrary, the aggregate amount of length of service award accruing under the Plan for



any Eligible Volunteer with respect to any Service Year shall not exceed three thousand dollars (\$3,000), as provided under Code section 457 (e) (11) (B) (ii).

#### 4.3 DEATH BENEFITS.

(a) Death Prior to Commencement of Benefits. If an Active Volunteer who has (1) attained Normal Benefit Eligibility Age and (2) completed a minimum of twenty-five (25) years of Active LOSAP Service Credit, dies prior to commencement of benefits under the Plan, a "Survivor Benefit" shall be paid to the Active Volunteer's Beneficiary(ies). The Survivor Benefit shall be a monthly benefit payment equal to (A) plus (B) where: (A) equals one hundred and fifty dollars (\$150); and (B) equals (i) the deceased Active Volunteer's number of years of Active LOSAP Service Credit in excess of twenty-five (25) years, multiplied by (ii) eleven dollars and twenty-five cents (\$11.25), not to exceed a total monthly benefit payment of two hundred and sixty two dollars and fifty cents (\$262.50) (i.e., seventy-five percent (75%) of the retirement benefit which would have been paid to the Active Volunteer under Sections 4.2 (a) and (c) above).

Any such Survivor Benefit paid to the Participant's spouse shall terminate upon the death or remarriage of the spouse. Upon the death or remarriage of the spouse, the Survivor Benefits shall cease and shall not be paid further to the child(ren) of the Participant. Any such Survivor Benefit paid originally to a Participant's child(ren) shall terminate with respect to each such child upon the earliest of the following: the death of the child; the marriage of the child; or the child's attainment of age eighteen (18). Upon the termination of such Survivor Benefits to a child, the amount paid to another child shall not be increased as a result of the termination.

(b) Death After Benefits Begin. If the Participant dies while receiving benefits under Section 4.2 of the Plan, the remaining interest, if any, shall be distributed pursuant to the form in which the Participant's interest was being paid prior to the Participant's death.

(c) Burial Benefit. In the event of an Eligible Volunteer's death, irrespective of whether the Eligible Volunteer is married or not, or whether the Eligible Volunteer has children or not, the Plan shall pay burial benefit of four thousand dollars (\$4,000) to the surviving spouse, any surviving child(ren), or the estate of the Eligible Volunteer, at the discretion of the Plan Administrator, to be used solely for burial, cremation and/or funeral expenses if:

(i) the Eligible Volunteer's death occurs during the course of his or her service as a volunteer, while actively engaged in providing volunteer services, and the Eligible Volunteer's death is the direct result of providing such volunteer services (i.e., the Eligible Volunteer dies "in the line of duty"), as determined by the Administrator in its sole and absolute discretion;

(ii) the Eligible Volunteer's death occurs on or after January 1, 2000; and

(iii) the estate of the Eligible Volunteer provides proof of such costs or payments made to the satisfaction of the Human Resources Director of Washington County. At its discretion, the Department of Human Resources of Washington may pay such costs directly to a

service provider.

Any such benefit shall be paid without regard to the Active Volunteer's length of service or attainment of Normal Benefit Eligibility Age.

#### 4.4 FORMS OF BENEFIT.

(a) Normal Form of Benefit. A Participant's normal monthly benefit payment, if any, as determined under Section 4.2, shall be paid for the Participant's lifetime. Upon the Participant's death, all payments shall cease.

(b) Actuarial Equivalent Value Options. In lieu of receiving the monthly benefit payment provided in Section 4.2 above, a Participant may elect (as provided in (d), below) to receive his or her Plan benefit payable in accordance with one of the following options, which options are Actuarially equivalent to the benefit to which the Participant was entitled under Section 4.2. The options available to a Participant are a joint and 50%, 75%, or 100% survivor annuity. Notwithstanding the proceeding, any such joint and survivor annuity shall be payable only to the Participant's Beneficiary(ies), as defined under Section 2.5 of the Plan.

(c) Lump Sum. A Participant may not elect to receive his/her benefit in the form of a lump sum payment.

(d) Election of Options. An election of an optional benefit form under Section 4.4 (b) above must be in writing (on a form provided by the Administrator) filed with the Administrator prior to the commencement of benefit payments. If no election is made, then the normal form of benefit in Section 4.4 (a) will be deemed to have been elected by the Participant. Once an election of an optional benefit form has been made and filed with the Administrator or has been deemed to have been made, and unless it is rescinded or changed before the commencement of benefit payments or before the purchase of an annuity that will pay the Participant's benefits, it cannot be rescinded or changed by the Participant.

4.5 SERVICE CONNECTED DISABILITY BENEFIT. An Eligible Volunteer shall be eligible to receive for the duration of his or her Disability, a monthly benefit payment of two hundred dollars (\$200), and/or such additional benefit(s) to which he or she may be entitled under the Plan (e.g., Burial Benefit), if he or she:

- (a) is not eligible for retirement benefits under Section 4.2; and
- (b) becomes disabled, as defined below, on or after January 1, 2007; and
- (c) such Disability occurs during the course of his or her service as a volunteer and while actively engaged in providing volunteer services (i.e., the Eligible Volunteer becomes Disabled "in the line of duty") (as determined by the Administrator in its sole and absolute discretion).

Any such benefit shall be paid without regard to the Eligible Volunteer's length of service or

attainment of Normal Benefit Eligibility Age. Benefit payments shall begin on the first day of this first month coincident with or next following the date on which he or she is classified as Disabled.

An Eligible Volunteer shall be classified as "Disabled" if he or she establishes to the satisfaction of the Administrator that he or she is unable to engage in any substantially gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death or to be of long and indefinite duration and which constitutes total disability for purposes of Social Security benefits. Evidence of Disability shall include the certificate of a competent licensed physician selected by the Eligible Volunteer and approved by the Administrator which confirms that the Eligible Volunteer Disabled as defined herein.

4.6 NON-SERVICE CONNECTED DISABILITY. An Eligible Volunteer shall be eligible to receive the balance of their 50 points for the year that they become disabled and 50 points for each following year in which the participant is disabled if he or she:

- (a) is not eligible for retirement benefits under Section 4.2; and
- (b) was an active volunteer at the time of disability, as defined under Section 2.1; and
- (c) has at least 12 or more years of LOSAP service; and
- (d) the disability was not incurred while actively engaged in providing Fire/EMS Services; and
- (e) the volunteer has been approved for Social Security Disability payments.

Evidence of Disability shall include the certificate of a competent licensed physician selected by the Eligible Volunteer and approved by the Administrator, as well as documentation verifying approval for Social Security Disability benefits.

Non-service connected disability credit shall continue until the participant is no longer considered eligible for Social Security disability benefits, until he/she has accumulated a total maximum of 25 years of LOSAP service credit, or he/she attains the age of 62, whichever is earlier.

4.7 PAYMENTS TO MINORS AND INCOMPETENTS. If the Administrator shall receive evidence satisfactory to it (a) that a Participant or Beneficiary entitled to receive any benefit under this Plan is, at the time when such benefit becomes payable, a minor, or is physically or mentally incompetent to receive such benefit and to give a valid release therefor, (b) that another person or an institution is then maintaining or has custody of such Participant or Beneficiary, and (c) that no guardian, committee or other representative of the estate of such Participant or Beneficiary has been duly appointed, the Administrator may make payment of the benefit otherwise payable to such Participant or Beneficiary to such other person or institution, including a custodian under a Uniform Gifts to Minors Act or corresponding legislation (who shall be an adult, a guardian of the minor or a trust company), and the release given by such other person or institution shall be a

valid and complete discharge for the payment of such benefit.

4.8 MISSING PARTICIPANTS. The Administrator shall make a reasonable effort to locate all persons entitled to benefits under the Plan. Should the Administrator be unable to locate any person entitled to benefits, such benefits shall be payable to such person at any future date that such person is located by the Administrator. Before the Administrator can deem that a person cannot be located, the Administrator shall send a certified letter to such person at his or her last known address advising the person that benefit payments shall be suspended unless the person responds to such certified letter.

4.9 COMPLETION OF SERVICE REQUIREMENT PRIOR TO NORMAL BENEFIT ELIGIBILITY AGE. Effective on or after January 1, 2007, in the event an Eligible Volunteer is credited with twenty-five (25) years of Active LOSAP Service Credit prior to attaining Normal Benefit Eligibility Age, the volunteer shall be eligible to receive benefits under Section 4.2 on the date he or she attains age sixty-two (62).

#### ARTICLE V PLAN FUNDING

5.1 FUNDING. The Plan shall be funded by a means set forth by the Board of Commissioners.

#### ARTICLE VI WASHINGTON COUNTY POINT SYSTEM

6.1 RECORDKEEPING.

(a) Volunteer Company Responsibility. It shall be the responsibility of each participating Volunteer Company to:

(i) maintain complete and accurate membership records on all Company volunteers, including, but not limited to, the volunteer's full name, address, entry date, social security number, date of birth, and total Service Years; and

(ii) maintain accurate hourly time information on all Company volunteers participating in the point system; and

(iii) appoint a LOSAP Coordinator (the "Coordinator") and the Alternate (the "Alternate"), who must be sworn-in by the Circuit Court of Maryland; and

(iv) report the names and phone numbers of the Coordinator and Alternate to the LOSAP Committee of the Washington County Volunteer Fire & Rescue Association, Inc. (the "Association") each Service Year or whenever a vacancy is filled; and

(v) provide each Eligible Volunteer with approved certification to obtain benefits; and

(vi) post, in a prominent location in the Company facility, a monthly report of Points awarded to each Eligible Volunteer; and

(vii) submit detailed and accurate quarterly and annual records for each member of the Company on approved forms prescribed by the Association and submitted with such frequency and subject to such rules as the Association may establish; and

(viii) on or before each January 15 of each Service Year, furnish to LOSAP Committee of the Association a detailed list, in the format prescribed by the Association, certifying all Eligible Volunteers of the Company who have qualified as Active Volunteers for the prior Service Year, including, but not limited to the members' names, ages and previous credits earned and providing a report as to which Eligible Volunteers are administrative personnel and which Eligible Volunteers are operational personnel; and

(ix) to resolve all conflicts and disputes regarding the information reported within this Section 6.1 (a) within thirty (30) days and disseminate the outcome to the volunteer and the Association in writing on the forms required by the Association; and

(x) to verify all documents submitted for the Point System.

(b) Volunteer Responsibility. It shall be the responsibility of each Eligible Volunteer to:

(i) make application to his or her volunteer Company to be included under the Washington County Point System (the "Point System") on such forms and in such manner as may be required by the County; and

(ii) verify that he or she has been included under the Point System, and that all personal information is correct and current;

(iii) accurately complete all forms required to tabulate points and submit such forms to the Company;

(iv) verify that all points are accumulated and accounted for on a quarterly basis;

6.2 EARNING LOSAP POINTS UNDER THE POINT SYSTEM. To qualify as an Active Volunteer for each Service Year, points must be earned in at least two (2) of the seven (7) categories listed under Section 6.3 of this Article.

If an Eligible Volunteer has service in more than one Company, the Eligible Volunteer shall receive Active LOSAP Service Credit for the service in each organization provided that not more than one (1) year's Active LOSAP Service Credit may be granted for each Service

Year of volunteer service.

6.3 SERVICE CREDIT POINTS. Points shall be credited to each Eligible Volunteer in accordance with the following:

(a) Formal Training. One half (1/2) point shall be awarded for each hour, to a maximum of twenty-five (25) points per Service Year, for the following:

- (i) Maryland Fire and Rescue Institute courses;
- (ii) Maryland Institute for Emergency Medical Services Systems classes;
- (iii) Maryland Emergency Management Agency classes;
- (iv) Municipal Training Academies;
- (v) Washington County Volunteer Fire and Rescue Association classes;
- (vi) National Fire Academy classes;
- (vii) Emergency Management Institute classes;
- (viii) approved college and university classes (coursework must be pre-approved by the LOSAP Committee of the Association);
- (ix) American Red Cross classes;
- (x) American Heart Association classes;
- (xi) approved Maryland State Police classes (coursework must be pre-approved by the LOSAP Committee of the Association);
- (xii) National Flight Paramedic Association classes;
- (xiii) other approved Fire, EMS, and Rescue related courses or seminars (approved by the LOSAP Committee of the Association);

(b) Drills. One (1) point shall be awarded for each two (2) hours of training, to a maximum of twenty (20) points per Service Year, for the following:

- (i) in-service type training classes.

(c) Standby. One (1) point shall be awarded for each four (4) hours on standby, to a maximum of twenty (20) points per Service Year, for the following:

- (i) standby at the Station/Rostered Duty Crew, available to respond to an

alarm (standby credit to be awarded only if no credit is received for an alarm);

- (ii) Company approved sleep in standby;
- (iii) public service standby.

(d) Elected/Appointed Positions. Twenty-five (25) points shall be awarded for each full calendar year of service, to a maximum of twenty-five (25) points per Service Year, for the service in the following positions:

- (i) Administrative Officer;
- (ii) Operations Officer;
- (iii) Committee or Board Chairmen;
- (iv) Committee or Board Member;
- (v) Fire Police (considered an appointed office for purposes of the point system and shall receive 25 points for a full year of service)
- (vi) Photo Team Member (considered an appointed office for purposes of the point system and shall receive 25 points for a full year of service)

Points for meeting attendance and approved collateral duties under Sections 6.3 (e) and (f) shall not be awarded to elected or appointed officials if such meeting attendance and/or collateral duties are directly related to an official's elected or appointed position.

(e) Meetings. One (1) point shall be awarded for each meeting attended, to a maximum of twenty-five (25) points per Service Year, for the following:

- (i) Company meetings;
- (ii) County Association meetings;
- (iii) Maryland State Firemen's Association meetings;
- (iv) Committee or Board Meetings of the Company, County, or Maryland State Firemen's Association.

(f) Alarms. One (1) point shall be awarded for each response to an alarm, to a maximum of forty (40) points per Service Year, for the following:

- (i) Alarm Response;
- (ii) Station Response during an Alarm.

(g) Approved Collateral Duties. One (1) point shall be awarded for each three (3) hours of service, to a maximum of twenty-five (25) points per Service Year, for the following:

- (i) any approved fund raising project;
- (ii) approved fire prevention activities;
- (iii) administrative duties;
- (iv) computer data entry;
- (v) computer programming;
- (vi) computer maintenance;
- (vii) apparatus/equipment maintenance;
- (viii) approved work detail.

6.4 CREDIT FOR SERVICE AFTER JANUARY 1, 1996 BUT PRIOR TO JANUARY 1, 2000

(a) In order to provide Active LOSAP Service Credit for Service Years prior to the Effective Date of the Plan, but after January 1, 1996, each Company shall review the monthly and annual records for each member of the Company as reported to the LOSAP Committee of the Association for each such Service Year. The volunteer shall receive one (1) year of Active LOSAP Service Credit toward eligibility for benefits for each Service Year in which the volunteer was credited with fifty (50) or more points and was classified by the Association as an Active Volunteer. In making this analysis, the standards for active service in this Plan shall be used as guidelines. Approval for each year of Active LOSAP Service Credit shall be certified by the Executive Officer(s) and the LOSAP Coordinator of the Eligible Volunteer's Company (as designated under Section 6.1 (a) (iv)).

(b) If an Eligible Volunteer has service in more than one Company, the Eligible Volunteer shall receive Active LOSAP Service Credit for the service in each organization provided that not more than (1) year's Active LOSAP Service Credit may be granted for each Service Year of volunteer service.

NOTE: The WCVFRA LOSAP Committee completed this process with the deadline for appeal being June 30, 1999. The process for verifying past credited service is now complete.



6.5 CREDIT FOR SERVICE PRIOR TO JANUARY 1, 1996.

(a) In order to provide Active LOSAP Service Credit for service prior to January 1, 1996, each Company shall review its past and present membership rosters to determine the number of years of Active LOSAP Service Credit to which each Eligible Volunteer is entitled. In making this analysis, the standards for active service shall be used as guidelines. Approval for each year of Active LOSAP Service Credit shall be certified by the Executive Officer(s) and the LOSAP Coordinator of the Eligible Volunteer's Company (as designated under Section 6.1(a) (iv)).

(b) If an Eligible Volunteer has service in more than one Company, the Eligible Volunteer shall receive Active LOSAP Service Credit for the service in each organization provided that not more than one (1) year's Active LOSAP Service Credit may be granted for each Service Year of volunteer service.

(c) Any individual who can document Active Volunteer service prior to January 1, 1996, will receive credit for Active Volunteer service toward eligibility for benefits, as set forth above. Any such service credit shall be limited to a maximum of twenty (20) years.

If records are unavailable, the certification of the Eligible Volunteer's Active LOSAP Service Credit may be made by the Company after thorough investigation, and on the best information, knowledge and belief of the Executive Officers of the Company. The Executive Officers and the LOSAP Coordinator for each volunteer Company must certify that the individual was an Active Member for each Service Year for which the individual seeks prior service credit.

NOTE: The WCVFRA LOSAP Committee completed this process with deadline for appeal being June 30, 1999. The process for verifying past credited service is now complete.

ARTICLE VII  
ADMINISTRATION

7.1 PLAN ADMINISTRATOR. The Plan Committee as defined in Article 2, Section 2.17 shall be the Plan Administrator. Members of the committee, if otherwise eligible, may participate in the Plan, but shall not be entitled to make decisions solely with respect to his or her own participation. Such decisions shall be made by the Board of Commissioners.

7.2 POWERS AND RESPONSIBILITIES. The Administrator shall have the following powers and responsibilities:

(a) Under advice of counsel, who may be counsel to the County or counsel of its own selection, construing the Plan, and remedying any ambiguities, inconsistencies, or omissions.

(b) Determining all questions relative to the eligibility of volunteers to be Participants and the benefits of Participants or Beneficiaries.

(c) Establishing, interpreting, amending, and revoking reasonable rules for the administration of the Plan.

(d) Maintaining appropriate records relating to Participants and their Beneficiaries.

(e) Delegating ministerial duties and employing such outside professionals as may be required for prudent administration of the Plan.

(f) Preparing and filing such reports with respect to the Plan as may be required by law.

(g) Performing other duties necessary for the administration of the Plan which appear to the Administrator to be necessary or appropriate in order properly to administer and operate the Plan.

The Administrator shall discharge its duties for the exclusive purpose of providing benefits hereunder and defraying the reasonable expenses of operating the Plan and with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

In carrying out its duties herein, the Administrator shall have discretionary authority to exercise all powers and to make all determinations, consistent with the terms of the Plan, in all matters entrusted to it, and its determinations shall be given deference and shall be final and binding on all interested parties.

7.3 ADVICE. The Administrator may secure specialized advice or assistance as it deems necessary or desirable in connection with the administration and operation of the Plan and shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, any advice or opinion so obtained.

7.4 DELEGATION. The Administrator shall have the power and authority to delegate from time to time by written instrument all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to any person, and in the same manner to revoke any such delegation of duties, powers or responsibilities. Any action of such person in the same manner to revoke in the exercise of duties, powers or responsibilities delegated to such person shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator. Further, the Administrator may authorize one or more persons to execute any certificate or document on behalf of the Administrator, in which event any person notified by the Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Administrator until such third person shall have been notified of the revocation of such authority. Except to the extent required by law, the Administrator shall not be liable for any act or omission of any person to whom any duties, powers or responsibilities have been delegated have any liabilities

with respect to any duties, powers or responsibilities not delegated to such person, except to the extent required by law.

7.5 LIABILITY: INDEMNIFICATION. No member of the Administrator shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by the member or on the member's behalf as a member of the Administrator, (ii) for any act or failure to act, or any mistake or judgment made by the member, with respect to the business of the Plan, unless resulting from the member's gross negligence or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other member of the Administrator or of any person employed or retained by the Administrator. The County shall indemnify and hold harmless each member of the Administrator from the effects and consequences of the member's acts, omissions and conduct with respect to the Plan, except to the extent that such effects and consequences of the member's own willful misconduct or gross negligence. The foregoing right to indemnification shall be in addition to such other rights as the Administrator may enjoy as a matter of law or by reason of insurance coverage of any kind. In all computations, the Administrator shall be entitled to rely fully upon data furnished by the County and upon information furnished it by or on behalf of a Volunteer or Volunteers.

7.6 COMPENSATION. The Administrator shall serve without compensation.

#### ARTICLE VIII DISPUTED CLAIMS PROCEDURE

8.1 DISPUTED CLAIMS PROCEDURE. Any person claiming a benefit under the Plan (a "Claimant") shall present the claim, in writing, to the Administrator and the Administrator shall respond in writing.

The written notice denying or granting the Claimant's claim shall be provided to the Claimant within ninety (90) days after the Administrator's receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished by the Administrator to the Claimant within the initial ninety (90) day period and in no event shall such an extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period. Any claim not granted or denied within the period noted above shall be deemed to have been granted.

Any Claimant whose claim is denied, or deemed to be denied under the preceding sentence, (or such Claimant's authorized representative) may, within sixty (60) days after the Claimant's receipt of notice of the denial, or after the date of the deemed denial, request by notice given, in writing, to the Administrator. Upon such a request for review, the claim shall be reviewed by the Administrator (or its designated representative) which may, but shall not be required to, grant the Claimant a hearing. In connection with the review, the Claimant may have representation, may examine documents, and may submit issues and comments in writing.

The decision on review normally shall be made within sixty (60) days of the Administrator's receipt of the request for review. If an extension of time is required due to special

circumstances, the Claimant shall be notified, in writing, by the Administrator, and the time limit for the decision on review shall be extended to one hundred twenty (120) days. The decision on review shall be in writing. The written decision on review shall be given to the Claimant within the sixty (60) day (or, if applicable, the one hundred twenty (120) day) time limit discussed above. If the decision on review is not communicated to the Claimant within the sixty (60) day (or, if applicable, the one hundred twenty (120) day) period discussed above, the claim shall be deemed to have been denied upon review. All decisions on review shall be final and binding with respect to all concerned parties.

ARTICLE IX  
AMENDMENT OR TERMINATION OF PLAN

9.1 AMENDMENT OF PLAN. The Board of Commissioners shall have the right to amend the Plan, at any time and from time to time, in whole or in part, including, but not limited to, amending the form of benefits or increasing or reducing benefit amounts hereunder.

9.2 TERMINATION. Although the County has established this Plan with the intention and expectation to maintain the Plan indefinitely, the County may terminate or discontinue the Plan in whole or in part at any time without any liability for such termination or discontinuance. In the event of such Plan termination, benefit payments to those Participants then receiving benefit payments under the Plan shall continue. Remaining funds shall be distributed to other eligible participants on an actuarially determined basis.

ARTICLE X  
MISCELLANEOUS

10.1 LIMITATION OF RIGHTS. Neither the establishment of this Plan nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving a Participant or other person any legal or equitable right against the County except as provided in the Plan.

10.2 NO CONTRACT OF EMPLOYMENT. Nothing in this Plan shall be deemed to be an agreement, consideration, inducement or condition of employment.

10.3 LIMITATION ON ASSIGNMENT. Benefits under this Plan may not be assigned, sold, transferred, or encumbered, and any attempt to do so shall be void. A Participant's or Beneficiary's interest in benefits under the Plan shall not be subject to debts or liabilities of any kind and shall not be subject to attachment, garnishment or other legal process.

10.4 REPRESENTATIONS. The County does not represent or guarantee that any particular federal or state income, payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation.

10.5 SEVERABILITY. If a court of competent jurisdiction holds any provisions of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

10.6 APPLICABLE LAW. This Plan shall be construed in accordance with applicable federal law and, to the extent otherwise applicable and to the extent not superseded by applicable federal law, the laws of the State of Maryland.

10.7 PAYMENT OF FEES AND EXPENSES. Administration fees and expenses of the Plan, if any, shall be paid by the Plan.


10.8 UNIFORMITY OF DISCRETIONARY ACTS. Whenever in the administration or operation of the Plan discretionary actions by the County are required or permitted, such actions shall be consistently and uniformly applied to all person similarly situated, and no such action shall be taken which shall discriminate in favor of any particular person or group of person.

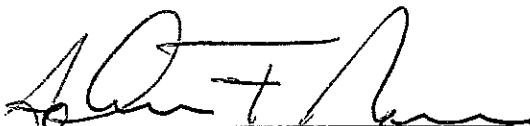
10.9 LITIGATION. In any action of judicial proceeding affecting the Plan, it shall be necessary to join as a party only the County. Except as may be otherwise required by law, in any action or judicial proceeding affecting the Plan, no Participant or Beneficiary shall be entitled to any notice or service of process, and any final judgment entered in such action shall be binding on all persons interested in, or claiming under, the Plan.

IN WITNESS WHEREOF, this Plan has been duly executed by the County effective as of the twenty-sixth day of September 2000.


WITNESS/ATTEST

BOARD OF COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY, MARYLAND

  
\_\_\_\_\_  
Joni L. Bittner  
County Clerk

By:   
\_\_\_\_\_  
John F. Barr  
President

Approved as to legal sufficiency:

  
\_\_\_\_\_  
Andrew F. Wilkinson  
Assistant County Attorney

WASHINGTON COUNTY VOLUNTEER  
FIRE & RESCUE ASSOCIATION

The Washington County Volunteer Fire & Rescue Association here by certifies that the following companies and organizations, constitute the bona fide fire, rescue, emergency medical services, and support organizations in Washington County, Maryland.

First Hagerstown Hose Company  
Antietam Fire Company  
Independent Junior Fire Company  
Western Enterprise Fire Company  
South Hagerstown Fire Company  
Pioneer Hook & Ladder Company  
Sharpsburg Volunteer Fire Company  
Williamsport Volunteer Fire Company  
Clear Spring Volunteer Fire Company  
Hancock Volunteer Fire Company  
First Hose Company of Boonsboro  
Smithsburg Volunteer Fire Company  
Leitersburg Volunteer Fire Company  
Funkstown Volunteer Fire Company  
Potomac Valley Fire Company  
Community Volunteer Fire Company of Fairplay - District 12  
Maugansville Goodwill Volunteer Fire Company  
Mount Aetna Volunteer Fire Company  
Sharpsburg Area Emergency Medical Service  
Volunteer Fire Company of Halfway  
Longmeadow Volunteer Fire Company  
Washington County Field Operations  
Williamsport Volunteer Ambulance Service  
Clear Spring Ambulance Club  
Hancock Rescue Squad  
Boonsboro Ambulance and Rescue Service  
Community Rescue Service  
Smithsburg Emergency Medical Services  
Washington County Special Operations  
Washington County Emergency Air Unit  
Washington County Emergency Rehab Unit



**GASB 68 ACTUARIAL VALUATION REPORT  
FOR THE  
WASHINGTON COUNTY, MARYLAND  
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM**



**FOR THE PLAN YEAR ENDING  
JUNE 30, 2015**

**October, 2015**

**Prepared by**

**CBIZ Benefits & Insurance Services, Inc.**

**44 Baltimore Street  
Cumberland, MD 21502  
(301) 777-1500**



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Inc. IN  
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# Washington County Length of Service Award Program

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# Washington County Length of Service Award Program

## Actuary's Certification

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We have completed a GASB 68 actuarial valuation of the Washington County Length of Service Award Program as of June 30, 2015. The valuation is based on (a) the plan provisions as in effect on that date, (b) employee data as of July 1, 2014, as provided by the plan sponsor, and (c) asset information as of June 30, 2015. This report has been completed in accordance with generally accepted actuarial principles and reflects our understanding of the requirements of GASB 68.

This report should not be used for any purpose other than for supplying certain information intended to comply with GASB 68. Determinations for other purposes, such as determining recommended contributions or judging benefit sufficiency at plan termination may differ significantly from the results presented in this report.

Our calculations are based upon employee data, financial information and plan provisions provided by the plan sponsor and other persons or organizations designated by the plan sponsor. While we have reviewed this material for reasonable accuracy and believe the information is sufficient to be relied upon for the purposes intended, we did not audit this data.

In the actuary's opinion, the actuarial assumptions and methods used in the valuation are, in the aggregate, reasonably related to the experience of the plan and to reasonable expectations of future results. Such estimates represent my best estimate of anticipated experience under the plan. To the best of my knowledge, this report is complete and accurate, based on the data submitted as outlined herein.

Future actuarial measurements may differ significantly from the current measurement presented in this report due to such factors as the following: plan experience differing from that anticipated; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements and changes in plan provisions, applicable law, or accounting standards.

In my opinion, this valuation fully and fairly discloses the actuarial position of the plan and has been prepared using generally accepted actuarial principles and practices. I also certify that I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CBIZ Benefits & Insurance Services, Inc.

Date:

10/5/15

By:



Alvin K Winters, FSA, EA, MAAA

EA Number: 14-06620

## Washington County Length of Service Award Program

### Summary of Net Investment Changes

---

Assets on hand as of July 1, 2014		\$7,466,305
Receipts		
County Contribution	600,000	
Employee Contribution	0	
Income	198,655	
Realized Gains/(Losses)	347,818	
Unrealized Gains/(Losses)	<u>(145,401)</u>	
Total Receipts		1,001,072
Disbursements		
Benefit Payments	(\$461,316)	
Investment Advisory Fees - PNC	(19,561)	
Legal Fees	0	
Trustee Fees - M&T	<u>(23,216)</u>	
Total Disbursements		<u>(504,092)</u>
Assets on hand as of June 30, 2015		<u><u>\$7,963,284</u></u>
Estimated Investment Return is 4.75%		

### Pension Balance Sheet

#### June 30, 2015 Assets

<b>Assets</b>	
Cash and Cash Equivalents	\$288,576
Government/Agency Obligation	1,136,045
Corporate Obligations	555,174
Common Stock	2,139,627
Registered Investment Companies	3,832,559
Accrued Contribution	0
Accrued Income	<u>\$11,304</u>
Total Assets	<u><u>\$7,963,284</u></u>

## Washington County Length of Service Award Program

### GASB 68 Net Pension Liability

---

The information shown below and on the following page is required for disclosure by Statement No 68 of the Governmental Accounting Standards Board (GASB). "Total Pension Liability" is GASB terminology for the Actuarial Accrued Liability calculated according to the Individual Entry Age Normal cost method. This cost method attributes the actuarial present value of a projected benefit payments to each employee based on a level percentage of compensation basis. This method is not used to determine the annual contributions to the plan.

The difference between the Total Pension Liability and the Plan's Net Fiduciary Position is used to determine the Net Pension Liability. The Target Pension Liability below is based on the last actuarial valuation as of July 1, 2014 and rolled forward to the measurement date of June 30, 2015.

#### Net Pension Liability at June 30, 2015

A. Total Pension Liability	\$12,738,173
B. Plan Fiduciary Net Position	7,963,284
C. County's Net Pension Liability	\$4,774,889
D. Plan Fiduciary Net Position as Percentage of the Total Pension Liability	62.52%
E. Estimated Covered Payroll	N/A
F. Net Liability as a Percentage of Covered Payroll	N/A

#### Sensitivity of the Net Pension Liability of the City as of June 30, 2015

A. County's Net Pension Liability at Current Discount Rate (7.75%)	\$4,774,889
B. County's Net Pension Liability at with 1% Decrease (6.75%)	\$6,579,143
C. County's Net Pension Liability at with 1% Increase (8.75%)	\$3,293,880

## Washington County Length of Service Award Program

### GASB 68 Annual Pension Expense

---

Under GASB 68 the annual pension expense is intended to recognize certain changes in the Net Pension Liability compared to the previous measurement date. Changes not recorded as a pension expense will be recorded and tracked separately as deferred inflows and outflows to be recognized in a future period's pension expense. Changes in the Total Pension Liability due to differences between actual experience and assumptions are recognized over a closed period equal to the future remaining service of plan participants. Differences between actual and expected investment performance are recognized over a five year period. Any changes due to plan amendment or other benefit changes will be recognized in the year of adoption.

A. Service Cost	\$143,037
B. Interest Cost	922,814
C. Recognized liability losses/(gains)	0
D. Change of Assumptions	0
E. Employee Contributions	0
F. Expected return on pension investments	(583,030)
G. Recognized asset losses/(gains)	40,304
H. Administrative expenses	23,216
I. Other changes in Fiduciary Net Position	<u>0</u>
J. Total Pension Expense	<u><u>\$546,341</u></u>

# Washington County Length of Service Award Program

## GASB 68 Changes in Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2014	\$ 12,133,637	\$ 7,466,305	\$ 4,667,332
Changes for the year:			
Service cost	143,037	-	143,037
Interest	922,814	-	922,814
Difference between expected and actual experience	-	-	-
Contributions - employer	-	600,000	(600,000)
Contributions - employee	-	-	-
Net investment income	-	381,511	(381,511)
Benefit Payments	(461,316)	(461,316)	-
Administrative expense	-	(23,216)	23,216
Other changes	-	-	-
Net Changes	<u>604,536</u>	<u>496,980</u>	<u>107,556</u>
Balance at June 30, 2015	<u>\$ 12,738,173</u>	<u>\$ 7,963,284</u>	<u>\$ 4,774,889</u>

### Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>161,215</u>	-
Total	<u>\$ 161,215</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FY 2016	\$ 40,304
FY 2017	40,304
FY 2018	40,304
FY 2019	40,304
FY 2020	0
Thereafter	0

## Washington County Length of Service Award Program

### Summary of Principal Actuarial Assumptions

---

Measurement Date:	June 30, 2015
Actuarial Valuation Date :	July 1, 2014 rolled forward to measurement date
GASB 68 Cost Method:	Entry Age Normal
Investment Return:	7.75% - It was assumed that the County would make contributions compliant with an actuarially determined schedule such that the Plan's net fiduciary position was projected to be available to make all projected future benefit payments for current plan members.
Mortality:	1983 GAM
Disability:	Male rates derived from a 1977 Social Security Administration study
Turnover:	T5 table
Retirement Age:	Normal retirement age or attained age, if later
Actuarial Valuation of Assets:	The market value as reported by the plan administrator

# Washington County Length of Service Award Program

## Summary of Principal Plan Provisions

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*This plan summary is meant to highlight the key features of the Plan. It is not intended to cover all aspects of the plan. In the event of any ambiguity or inconsistency between this exhibit and the Volunteer Length of Service Award Program Plan Document, the Plan document will control.*

### **Objectives**

To provide eligible Volunteers who become covered under the Plan with retirement, disability, and death benefits.

### **Participants:**

In order to participate in the Plan, a Volunteer must be an active member of one or more Washington County fire, rescue, or emergency medical services, or support organizations approved by the Washington County Volunteer Fire and Rescue Association (the "Association") and the Board of County Commissioners.

### **Plan Benefits:**

**No benefits under the Plan were paid before January 1, 2007. Generally, a Volunteer must be an Active Volunteer on or after January 1, 2007 to be eligible for any benefits under the Plan.**

#### **A. Retirement:**

##### **1. Normal Retirement Benefit:**

An Active Volunteer (i.e., one who has been credited with 50 or more Points (as discussed below) in the prior calendar year and who has been certified by the Association LOSAP Committee as an Active Volunteer) who has attained age 62 and has been credited with a minimum of 25 years of Active LOSAP Service Credit (25 years in which the Volunteer has been classified as an Active Volunteer) is eligible to receive, until his or her date of death, a monthly benefit payment of \$200, or may elect an actuarially reduced benefit in the form of a joint and 25%, 50%, or 75% survivor annuity.

##### **2. Supplemental Retirement Benefit:**

In addition to the Normal Retirement Benefit, an Active Volunteer who has completed more than 25 years of Active LOSAP Service Credit, is eligible to receive, until his or her date of death, an additional monthly benefit payment of \$15 for each year of Active LOSAP Service Credit in excess of 25 years, not to exceed a total of monthly benefit payment of \$350.

*Example: Volunteer Smith is an Active Volunteer and is age 62 with 29 years of Active LOSAP Service Credit as of January 1, 2007. Volunteer Smith will receive monthly benefit payments of \$260 (\$200 plus a supplemental retirement benefit of 4 times \$15 (4 years in excess of 25) in 2007. If Volunteer Smith is classified as an Active Volunteer for 2007, Volunteer Smith's monthly benefit payment in 2008 will be \$275 (\$200 plus a supplemental retirement benefit of 5 times \$15 (5 years in excess of 25)). If the Volunteer elects to take his or her Normal Retirement Benefit in a joint and survivor annuity, the Supplemental Retirement Benefit will be added to the J&S Annuity.*

##### **3 Age 70 Retirement:**

If an Active Volunteer attains age 70 and has not been credited with 25 years of Active LOSAP Service Credit, the Active Volunteer is eligible to receive until his or her date of death, a monthly benefit payment of \$8 for each year of Active LOSAP Service Credit. To be eligible for this Age 70 Retirement benefit. This benefit may also be elected in the form of a J&S annuity.

# Washington County Length of Service Award Program

## Summary of Principal Plan Provisions

---

### **B. Death:**

#### **1. Death Prior to Commencement of Benefits:**

If an Active Volunteer, who has attained age 62 and been credited with 25 or more years of Active LOSAP Service Credit, dies on or after January 1, 2007 and prior to the commencement of benefit payments under the Plan, his spouse, if any, or if there is no spouse, his unmarried children under age 18, will receive a monthly benefit payment of \$150 plus an additional \$11.25 for each year of Active LOSAP Service Credit in excess of 25 years, not to exceed a total monthly benefit payment of \$262.50. Any benefit payments to a Volunteer's spouse will cease upon the spouse's death or remarriage. Any benefit payments to a Volunteer's children will be divided in equal shares and will cease, as to each child, upon the child's death, marriage, or attainment of age 18.

#### **2. Death after Benefits Begin:**

If a Volunteer dies while receiving benefits, the Plan will pay any remaining benefits under the Plan in the form the Volunteer elected prior to his or her retirement.

#### **3. Burial Benefit:**

If a Volunteer dies in the line of duty on or after January 1, 2007, the Plan will pay up to \$4,000 for the Volunteer's funeral expenses.

### **C. Disability:**

An Eligible Volunteer who is Disabled in the line of duty on or after January 1, 2007, will receive a monthly Disability benefit payment of \$200, if he or she is not eligible for retirement benefits under the Plan. Under the Plan, Disability is defined as unable to engage in any substantial activity because of a medically determinable physical or mental impairment which can be expected to result in death or to be of long and indefinite duration and which constitute total disability for purposes of Social Security benefits.

### **Point System:**

To qualify as an Active Volunteer for a Service Year, the Volunteer must earn points in at least 2 of the 7 categories listed under the Point System and must earn a minimum of 50 points during the Service Year.

#### **A. Volunteer's Responsibility:**

It is the Volunteer's responsibility to complete all necessary forms and applications, to keep his or her personal information up to date, to accurately submit forms required to tabulate points, to verify that he or she is included under the Point System and that all points are accumulated and accounted for on a quarterly basis, and, if seeking an income exclusion, to attach and submit a copy of the official Point System report to his or her Maryland Income Tax form 502.

#### **B. Company's Responsibility:**

It is each Volunteer Company's responsibility to maintain complete and accurate membership records, to maintain accurate hourly time for all Company Volunteers participating in the Point System, to post a quarterly report of Points awarded to each Volunteer, to submit all required information to the Association LOSAP Committee, and to resolve all conflicts relating to Points awarded.

#### **C. Service Credit Points:**

Service Credit Points are awarded to each Eligible Volunteer in accordance with the schedule listed in the Plan document.



# Washington County Length of Service Award Program

## Summary of Principal Plan Provisions

---

### **D. Credit for Service Prior to January 1, 2000:**

Credit for Volunteer service prior to January 1, 2000 will be credited in accordance with the Plan.

A Volunteer will be credited with a maximum of 20 years of Active LOSAP Service Credit for his or her service prior to December 31, 1995, and any such service must be certified by Executive Officer(s) and the LOSAP Coordinator of the Eligible Volunteer's Company.

Service after January 1, 1996, but before January 1, 2000, will be credited for each year in which the Volunteer received 50 or more points, as determined by the Company on the basis of its reports submitted to the Association for that period.

### **E. Military Service:**

An Eligible Volunteer may be eligible to receive a maximum of 4 years Active LOSAP Service Credit for his full-time service in the Armed Forces of the United States, as determined under the Plan.

### **Taxation:**

The Volunteer's benefits under the Plan may be eligible for favorable state and federal tax treatment. The Volunteer should discuss this matter with his or her tax advisor.

The Plan does not guarantee a particular tax outcome for benefits received under the Plan.

### **Break(s) in Service:**

If a Volunteer incurs 5 consecutive Breaks in Service (i.e. Service Years in which the Volunteer is not classified as an Active Volunteer), his or her years of Active LOSAP Service Credit prior to the Breaks in Service will only be taken into account if the Volunteer subsequently is again classified as an Active Volunteer and is credited with an additional 5 years of Active LOSAP Service Credit. This provision does not apply to a Volunteer who has been credited with 25 or more years of Active LOSAP Service Credit.

*Example: As of January 1, 2005, Volunteer Smith has been credited with 23 years of Active LOSAP Service Credit. Volunteer Smith moves to Arizona on January 15, 2005 and incurs 8 consecutive Breaks in Service before moving back to Washington County on January 1, 2013. Volunteer Smith immediately becomes a Volunteer after returning to Washington County and is classified as an Active Volunteer in 2013.*

*The earliest that Volunteer Smith, who turns 62 years old in January 2015, could be eligible for retirement benefits under the Plan is January 2018. She must earn 5 years Active LOSAP Service Credit after her return to Washington County before her previous 23 years of Active LOSAP Service Credit will be taken into account in determining her eligibility for benefits under the Plan.*

### **Plan Amendment/Termination:**

Washington County has the right to amend or terminate the Plan at any time.



County Commissioners of Washington County  
Other Post-Employment Benefits under GASB-45

Actuarial Valuation Report  
For the Year Ending June 30, 2014



**CBIZ Benefits & Insurance Services, Inc.**

44 Baltimore Street  
Cumberland, MD 21502  
(800) 624-5914



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# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

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# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

## Actuary's Certification

We have prepared an actuarial valuation of Washington County's defined benefit post-retirement medical plan for the fiscal year 2014 and have used the valuation results in the preparation of this report. The determination of the investment fund contribution levels and the measurement of plan liabilities for the plan year ending June 30, 2014 were based on the actuarial methods and assumptions as set forth in this report, as well as the Plan benefit structures in effect or adopted during 2014.

In preparing the information presented, we have relied upon data furnished to us regarding plan provisions, plan participants and plan assets. While we have reviewed this material for accuracy and consistency, we must finally rely upon others for such source data.

We believe the information in this report provides the necessary expense and disclosure summaries consistent with the requirements of GASB Statement No. 45. If you should have any questions on the material contained in the report, or require explanations of further details as may be appropriate, please do not hesitate to contact our office. The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

In my opinion, this valuation fully and fairly discloses the actuarial position of the plan and has been prepared using reasonable methods and assumptions consistent with the requirements of the appropriate governing authorities.

CBIZ Benefits & Insurance Services, Inc.

11/6/2014

Date



Alvin K. Winters, FSA, EA, MAAA  
EA Number 14-06620

County Commissioners of Washington County  
Other Post-Employment Benefits under GASB-45

Statement of Account

July 1, 2013 – June 30, 2014

<b>Opening Balance:</b>		\$11,216,550
<b>Receipts:</b>		
Trust Contributions	\$1,006,600	
Net Equivalent Claims/Premiums	685,365	
Net Investment Returns	2,084,903	
<b>Total Receipts:</b>		\$3,776,868
<b>Disbursements:</b>		
Total Net Pay-Go	(\$685,365)	
Fees	(\$22,279)	
<b>Total Disbursements:</b>		(\$707,644)
<b>Closing Balance:</b>		<u>\$14,285,774</u>

# County Commissioners of Washington County

## Other Post-Employment Benefits under GASB-45

### Summary of Principal Results for GASB 45 Accounting Purposes

1. Net Assets Available for Benefits as of July 1, 2013		\$11,216,550
2. Receipts for Year Ended June 30, 2014		
A. Investment Income (Net)	\$2,084,903	
B. Total Contributions	<u>1,691,965</u>	
C. Total		3,776,868
3. Disbursements for Year Ended June 30, 2014		
A. Expense Paid from Fund	(\$22,279)	
B. Benefits Paid	<u>(685,365)</u>	
C. Total		<u>(707,644)</u>
4. Net Fund Increase/(Decrease) for Year Ended June 30, 2014		<u>\$3,069,224</u>
5. Net Assets Available for Benefits as of June 30, 2014		<u><u>\$14,285,774</u></u>
6. Actuarial Accrued Liability as of July 1, 2013		
A. Active Members	\$16,348,300	
B. Nonactive Members	<u>2,397,034</u>	
C. Total		\$18,745,334
D. Less Assets		<u>11,216,550</u>
E. Unfunded Accrued Liability		<u>\$7,528,784</u>
7. Annual Required Cost		
A. Normal Cost	\$829,618	
B. 24-year Amortization	<u>474,062</u>	
C. Total (A+B)		<u><u>\$1,303,680</u></u>
8. Actuarial Accrued Liability as of June 30, 2014		
A. Active Members	\$18,146,783	
B. Nonactive Members	<u>2,169,505</u>	
C. Total		<u><u>\$20,316,288</u></u>

# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

## Summary of Principal Results for GASB 45 Accounting Purposes

	6/30/2014
1 Annual Required Contribution	\$1,303,680
2 Interest on Net OPEB Obligation	(63,009)
3 Adjustment to Annual Required Contribution	<u>51,193</u>
4 Annual OPEB Cost (Expense)	1,291,864
5 County Contributions Made or Accrued	<u>1,691,965</u>
6 Increase in Net Obligation	<u>(\$400,101)</u>
7 Net OPEB Obligation (BOY)	(\$813,022)
8 Net OPEB Obligation (EOY)	(\$1,213,123)

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2014	\$1,291,864	130.97%	(\$1,213,123)
6/30/2013	\$1,320,987	99.79%	(\$813,022)
6/30/2012	\$1,299,915	145.38%	(\$815,779)
6/30/2011	\$1,565,760	112.22%	(\$225,885)
6/30/2010	\$1,570,147	111.91%	(\$34,498)

# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

## Summary of Principal Actuarial Assumptions and Plan Provisions

<b>Funding Method:</b>	Projected Unit Credit
<b>Actuarial Assumptions:</b>	
<b>Pre-Retirement and Post-Retirement for Retirement and Spousal</b>	
Investment Return:	
For Discounting Liabilities	7.75%
For Asset Returns	N/A
Mortality:	RPA 2000 Sex Distinct
Turnover:	T4
Marriage Rate:	80%
Salary Scale:	4.00% per year
Retirement Age:	

	<b>Probability of Retirement</b>	<b>Probability of Electing Coverage</b>
Each Year from Early Retirement Date to Normal Retirement Date	10%	75%
Years First Eligible for Normal Retirement	50%	75%
Each of Next 4 Years	25%	75%
5 Years after Normal Retirement Date	100%	100%

### Aging Factors Applied to Premium Equivalencies:

<b>Age Bracket</b>	<b>Male Aging Factor</b>	<b>Female Aging Factor</b>
Under 45	1.000	1.312
45 – 49	1.193	1.456
50 – 54	1.441	1.599
55 – 59	1.602	1.592
60 – 64	1.882	1.774



# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

## Summary of Principal Actuarial Assumptions and Plan Provisions (continued)

Premium Equivalence: Current equivalent rates blended at 50%/50% high plan/low plan. Then rates are adjusted by age band to retirement age.

Trend Rate: Premiums are assumed to increase annually at a rate starting at 7.8% in 2013 and decreasing linearly each year to an ultimate annual increase of 5% for years 2014 or later.

### Summary of Plan Provisions

Health Benefits: Retirees are offered the option to maintain health insurance after they retire including beneficial coverages, and maintain that coverage until they reach age 65. Retirees must pay 50% of the cost of the plan as determined on a non-age adjusted average premium equivalency.

Death Benefits: Retirees who elect retiree Health Benefits are also covered by a death benefit equal to one-times their final annual salary, not to exceed \$100,000. This benefit coverage ceases when the retiree attains age 65.

# County Commissioners of Washington County Other Post-Employment Benefits under GASB-45

## GASB 45 Notes to Financial Statements

### Plan Description.

The County offers post-retirement health care benefits to employees who retire from the County under normal or early retirement provisions of the pension plan. The health care benefits are provided until the retiree is eligible for Medicare. Retirees who exercise the one-time option for the health care benefits pay one-half of the estimated cost of the benefits. The county pays the remaining cost as part of its self-insurance program. Currently, forty-five retirees are receiving benefits and one hundred twenty-nine employees are retirement eligible. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported.

The County offered a special termination benefit to employees who retired between July 1, 1995 and September 30, 1995. Those employees are receiving health care benefits (managed care program) from the date of retirement until they are eligible for Medicare. Two former employees are receiving this benefit.

The County offered a special termination benefit to employees who retired between July 1, 1996 and September 30, 1996. Those employees are receiving health care benefits (managed care program) from the date of retirement until they are eligible for Medicare. Three former employees are receiving this benefit.

### Funding Policy.

The County intends to fund any annual short-fall between OPEB annual required contribution and actual pay-go expense into a legally executed trust fund. The trust fund will be invested as a long-term pension trust, using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment

### Annual OPEB Cost and Net OPEB Obligation.

The County's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB Obligation.

### Components of Net OPEB Obligation

Annual Required Contribution	\$1,303,680
Interest on Net OPEB Obligation	(63,009)
Adjustment to Annual Required Contribution	51,193
Annual OPEB Cost (Expense)	<u>1,291,864</u>
Contributions Made or Accrued	<u>1,691,965</u>
Increase in Net Obligation	<u>(\$400,101)</u>
Net OPEB Obligation (BOY)	(\$813,022)
Net OPEB Obligation (EOY)	(\$1,213,123)

# County Commissioners of Washington County

## Other Post-Employment Benefits under GASB-45

### GASB 45 Notes to Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB	
		Cost	Net OPEB Obligation
6/30/2014	\$1,291,864	130.97%	(\$1,213,123)
6/30/2013	\$1,320,987	99.79%	(\$813,022)
6/30/2012	\$1,299,915	145.38%	(\$815,779)
6/30/2011	\$1,565,760	112.22%	(\$225,885)
6/30/2010	\$1,570,147	111.91%	(\$34,498)

#### Funded Status and Funding Progress.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions.

Projections of benefits for financial reporting purposes are based on substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 7.8% initially, reduced by decrements to an ultimate rate of 5% after three years. The actuarial value of assets was determined using a standard balanced portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level charge on an open basis. The remaining amortization period at July 1, 2013 was 24 years.

**PUR-1308  
RECORD-KEEPING AND ACTUARIAL CONSULTING SERVICES**

**PROPOSAL FORM**

The Firm Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Hereby agrees to provide the requested services as defined in the proposal, attachments thereto, and

Addenda No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_

at the following annual lump sum contract prices:

Item No.	<b><u>PART 1</u></b> <i>Annual Lump Sum Fees / Employee's Retirement Plan of Washington County:</i>	<b>Unit Price</b> <i>(Figures)</i>	<b>Total Price</b> <i>(Figures)</i>
1	<b>Contract Year No. 1:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
2	<b>Contract Year No. 2:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
3	<b>Contract Year No. 3:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____

Item No.	<b><u>PART 1</u></b> <i>Annual Lump Sum Fees / Employee's Retirement Plan of Washington County:</i>	<b>Unit Price</b> <i>(Figures)</i>	<b>Total Price</b> <i>(Figures)</i>
4	<b>Contract Year No. 4:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
5	<b>Contract Year No. 5:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
Item No.	<b><u>PART 2</u></b> <i>Annual Lump Sum Fees / Length of Service Award Program (LOSAP):</i>	<b>Unit Price</b> <i>(Figures)</i>	<b>Total Price</b> <i>(Figures)</i>
6	<b>Contract Year No. 1:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
7	<b>Contract Year No. 2:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
8	<b>Contract Year No. 3:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____

<b>Item No.</b>	<b>PART 2 Annual Lump Sum Fees / Length of Service Award Program (LOSAP):</b>	<b>Unit Price (Figures)</b>	<b>Total Price (Figures)</b>
<b>9</b>	<b>Contract Year No. 4:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
<b>10</b>	<b>Contract Year No. 5:</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)	\$ _____	\$ _____
<b>TOTAL For Contract Years 1 through 5 For Both Programs (Total of Item Nos. 1 - 10):</b>  @ _____ Dollars (Written) and _____ Cents per Year (Written)		\$ _____	

**CONTRACTOR MUST SIGN HERE**

By signing here, the firm does hereby attest that they have read fully the instructions, conditions and general provisions and understands them.

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

Authorized Signature of Officer of Firm: \_\_\_\_\_

Name & Title Printed: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ / Fax No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Federal Employer Identification No. \_\_\_\_\_

Date: \_\_\_\_\_

**EXCEPTIONS** (If no exceptions are taken, state NONE):

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***For Informational Purposes Only:*** Has your company/firm been certified by the State of Maryland as a Minority Business Enterprise? (Please check below.)

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

PUR-1308  
WASHINGTON COUNTY, MARYLAND  
PURCHASING DEPARTMENT  
AFFIDAVIT

(Must be completed, signed, and submitted with the Price Proposal.)

Contractor \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

I, \_\_\_\_\_, the undersigned, \_\_\_\_\_ of the above named  
(Print Signer's Name) (Print Office Held)

Contractor does declare and affirm this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, that I hold the aforementioned office in the above  
(Month) (Year)  
named Contractor and I affirm the following:

AFFIDAVIT I

The Contractor, his Agent, servants and/or employees, have not in any way colluded with anyone for and on behalf of the Contractor or themselves, to obtain information that would give the Contractor an unfair advantage over others, nor have they colluded with anyone for and on behalf of the Contractor, or themselves, to gain any favoritism in the award of the contract herein.

AFFIDAVIT II

No officer or employee of Washington County, whether elected or appointed, has in any manner whatsoever, any interest in or has received prior hereto or will receive subsequent hereto any benefit, monetary or material, or consideration from the profits or emoluments of this contract, job, work or service for the County, and that no officer or employee has accepted or received or will receive in the future a service or thing of value, directly or indirectly, upon more favorable terms than those granted to the public generally, nor has any such officer or employee of the County received or will receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the County in connection with this contract, job, work, or service for the County, excepting, however, the receipt of dividends on corporation stock.

AFFIDAVIT III

Neither I, nor the Contractor, nor any officer, director, or partners, or any of its employees who are directly involved in obtaining contracts with Washington County have been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the federal government or has engaged in conduct since July 1, 1977, which would constitute bribery, attempted bribery, or conspiracy to bribe under the laws of any state or the federal government.

AFFIDAVIT IV

Neither I, nor the Contractor, nor any of our agents, partners, or employees who are directly involved in obtaining contracts with Washington County have been convicted within the past twelve (12) months of discrimination against any employee or applicant for employment, nor have we engaged in unlawful employment practices as set forth in Section 16 of Article 49B of the Annotated Code of Maryland or, of Sections 703 and 704 of Title VII of the Civil Rights Act of 1964.

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing affidavits are true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
COMPANY NAME PRINTED

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE



**POLICY TITLE:** Insurance Requirements for Independent Contractors

**ADOPTION DATE:** August 29, 1989

**EFFECTIVE DATE:** September 1, 1989

**FILING INSTRUCTIONS:**

**I. PURPOSE**

To protect Washington County against liability, loss or expense due to damaged property, injury to or death of any person or persons and for care and loss of services arising in any way, out of, or in connection with or resulting from the work or service performed on behalf of Washington County.

**II. ACTION**

The following should be inserted in all Independent Contractor Contracts:

"The Contractor shall procure and maintain at his sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have A.M. Best rating of A- or better or its equivalent, and acceptable to the County."

1. **Workers Compensation:** The Contractor agrees to comply with Workers Compensation laws of the State of Maryland and to maintain a Workers Compensation and Employers Liability Policy.

Minimum Limits Required:

Workers Compensation -	Statutory
Employers Liability -	\$100,000 (Each Accident)
	\$500,000 (Disease - Policy Limit)
	\$100,000 (Disease - Each Employee)

2. **Comprehensive General Liability Insurance:** The Contractor shall provide Comprehensive General Liability including Products and Completed Operations.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury and Property Damage.

Such insurance shall protect the County, its agents, elected and appointed officials, commission members and employees, and name Washington County on the policy as additional insured against liability, loss or expense due to damaged property (including loss of use), injury to or death of any person or persons and for care and loss of services arising in any way, out of, or in connection with or resulting from the work of service performed on behalf of Washington County.

2. **Comprehensive General Liability Insurance** (continued)

The Contractor is ultimately responsible that Subcontractors, if subcontracting is authorized, procure and maintain at their sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have A.M. Best rating of A- or better or its equivalent, and acceptable to the County.

3. **Business Automobile Liability:** The Contractor shall provide Business Auto Liability including coverage for all leased, owned, non-owned and hired vehicles.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury or Property Damage.

**Certificate(s) of Insurance:** The Contractor shall provide certificates of insurance requiring a 30 day notice of cancellation to the Insurance Department, Board of County Commissioners of Washington County prior to the start of the applicable project.

Approval of the insurance by the County shall not in any way relieve or decrease the liability of the Contractor. It is expressly understood that the County does not in any way represent that the specified limits of liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the Contractor.

All responsibility for payment of any sums resulting from any deductible provisions, corridor, or self-insured retention conditions of the policy or policies shall remain with the Contractor.

**General Indemnity:** The Contractor shall indemnify, defend and save harmless the Board of County Commissioners of Washington County, its appointed or elected officials, commission members, employees and agents for any and all suits, legal actions, administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind of nature, whether arising before or after final acceptance and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by reason of any act, error or omission, fault or negligence whether active or passive by the Contractor, or any one acting under its direction, control or on its behalf in connection with or incident to its performance of the Contract.

Revision Date: August 27, 1991  
Effective Date: August 27, 1991  
Revision Date: March 4, 1997  
Effective Date: March 4, 1997