

**PLAN SUMMARY OF
THE
EMPLOYEES' RETIREMENT PLAN OF
WASHINGTON COUNTY**

Amendment and Restatement
Effective July 1, 2015

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OF WASHINGTON COUNTY**

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ABOUT THIS BOOKLET

We urge you to read this booklet carefully. It explains the benefits available to you through the Employees' Retirement Plan of Washington County (the "Plan").

This Plan Summary is not a contract but is meant to summarize the Plan in easy-to-understand language. However, in the event of any ambiguity or inconsistency between this Plan Summary and the Plan document, the Plan document will control. The Plan document is available for examination at the office of the Plan Administrator during regular business hours.

The Plan is meaningful only if you clearly understand its provisions and can take advantage of the benefits it provides. If anything in this Plan Summary is not clear to you, please contact the Plan Administrator.

When this Plan Summary uses the term "Employer" or "Plan Sponsor", it is referring to Washington County, Maryland. The County acts through the County Commissioners except to the extent that the County Commissioners have designated authority to act on behalf of the County to any other individual(s) or entity.

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ELIGIBILITY

Who is eligible to participate in the Plan?

If you are employed in an eligible status (see below), you are required as a condition of employment to become a participant in the Employees' Retirement Plan of Washington County (the "Plan").

If you currently are not a participant in the Plan, you will become a participant on the day you become employed in an eligible status.

Does my employment status affect my eligibility to participate in the Plan?

To be eligible for Plan participation, you must be employed in an eligible status, which means that you must be,

- a. 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 be paid by the County Commissioners (or prior to July 1, 1995, by the Washington County Sanitary Commission),
- b. a County official appointed in accordance with Washington County law or Maryland law, or
- c. a County official elected for a fixed term as provided under Washington County law or Maryland law.

If you are a "leased employee" (as determined by the County), you will not be eligible to participate in the Plan.

SERVICE

How is my service credited for Plan purposes?

During your employment with the Employer in an eligible status, you will be credited with service for vesting and benefit accrual purposes under the Plan. You will generally earn service credit for each period of time, that you are employed by the Employer. You will receive credit for a Year of Service for your total number of whole years and completed months of service (with a partial month of 15 days or more counted as a whole month). If you 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.

You will be credited with Years of Service for a "leave of absence" (or any portion thereof)

during which you receive payment directly from the County. A “leave of absence” is an absence from active service with the County approved in advance by the County (other than a termination of employment). If you are not receiving payment directly from the County during a leave of absence, you may elect to receive credit for Years of Service if you pay over to the Plan, in one lump sum payment, an amount equal to the Participant contributions you would have been required to make under the Plan had you remained in active service during the leave of absence (based on what your Per-Pay Compensation (as defined below) would have been in your last paycheck prior to the leave of absence if you had worked your regularly-scheduled hours). Please consult the Plan Administrator for additional details.

Sick Leave. In addition, prior to the date you start to receive payments under the Plan, in accordance with procedures adopted by the County, you may make a written election to exchange unused sick leave that has not been cashed in. Unused sick leave shall be exchanged at the rate of one-twelfth (1/12) of a Year of Service for each twenty-two (22) days of sick leave and may be used as follows:

(a) if you wish to retire on account of normal retirement, but you do not have the necessary Years of Service, you may elect to exchange unused sick leave for additional Years of Service applied to render you eligible for normal retirement.

(b) if you wish to retire on account of early retirement, but you do not have the necessary Years of Service, you may elect to exchange unused sick leave for additional Years of Service applied to render you eligible for early retirement.

(c) if you wish to retire on account of normal retirement, and you have attained your Normal Retirement Date but you have fewer than fifty (50) Years of Service (fewer than thirty (30) Years of Service for Plan Years beginning before July 1, 2001), you 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 fifty (50) (thirty (30) for Plan Years beginning before July 1, 2001)) applied to calculate the amount of your normal retirement benefit.

(d) if you wish to retire on account of early retirement and you have reached your Early Retirement Date, you 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 your normal retirement benefit, if such application produces a higher retirement benefit).

Purchase and Transfer of Service. (a) If you were a member of a Maryland County Retirement Plan who, without a break in employment, becomes employed in an eligible status, you may be entitled to elect to receive credit for Years of Service for service recognized under another Maryland County Retirement Plan. If you transfer between Maryland governmental employers, benefits will be governed by Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland. You will generally receive full credit for all Years of Service purchased or transferred pursuant to this paragraph. However, if you retire within 5 years after the date of transferring service into this Plan in accordance with this paragraph, the portion of your 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 you had remained a participant in that other Maryland County Retirement Plan.

(b) You 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 (3) years). If you make such an election, you must pay over to the plan the actuarial equivalent of that portion of your projected benefit attributable to such program.

(c) If you provide the Plan Administrator (or its designee) with sufficient evidence of military service, you shall receive service credit for such military service as follows:

(i) If you incur a leave of absence on account of military service, you 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.

(ii) If your military service precedes your active duty service with the County, you will receive credit for Years of Service to the extent of your active military service in the Armed Forces of the United States (to a maximum of three years) provided that you earn at least 5 Years of Service (actual County credited service other than military or transferred service). Prior to July 1, 2002, you had to have at least 10 Years of Service (actual County credited service other than military or transferred service).

(iii) You 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 you are 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.

Please consult the Plan Administrator for additional details regarding the purchase and transfer of service and for more information regarding your ability to purchase additional service in these circumstances and for any limitations that might apply (such as for purchased service for periods prior to July 1, 2002).

Can I lose service that has been credited to me under the Plan?

If you leave employment with the Employer and later return to service, your previous periods of service will continue to be counted for vesting and benefit accrual purposes and will be added to any period of service that you perform after you return to service. However, Years of Service for benefit accrual purposes shall not be granted for service for which you have received a distribution of your benefit under the Plan. If you receive a cash-out distribution of your entire Employee Contributions Benefit, you are entitled to make a repayment to the Plan to restore your benefit accrual Years of Service which would be disregarded. (Your "Employee Contributions Benefit" is based on your contributions into the Plan, plus interest, which is generally 6% per year.) If this applies to you, please contact the Plan Administrator for additional details.

COST OF THE PLAN

Who pays the cost of the Plan?

Both the Employer and eligible employees share the cost for providing retirement benefits under the Plan. Generally, the Employer makes periodic contributions to the Plan, as required by applicable law, so that funds are available to pay your benefits when you retire, or otherwise become eligible for benefits.

As an eligible employee, you are required to make contributions to the Plan of a percentage of your Per-Pay Compensation. The Plan Administrator will inform you of your required percentage. These contributions are deducted from your pay and "picked up" (paid to the Plan) by the Employer. "Per-Pay Compensation" generally means your 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 imposed by the Internal Revenue Code, (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. Your contributions will always be fully vested. If you are on a paid leave of absence, your required contributions will continue to be deducted from your pay.

PLAN BENEFITS

How is my retirement benefit calculated?

The amount of retirement benefit you receive is based on your accrued benefit which in turns is based on a mathematical formula that takes into account your Average Compensation and number of Years of Service.

The mathematical formula for determining your monthly retirement benefit is 1/12th of 2.0% of your Average Compensation multiplied by your Years of Service. Years of Service greater than 50 (greater than 30 for Plan Years beginning before July 1, 2001) are disregarded.

Your "Average Compensation" means 1/3 of the sum of your compensation for each of the three Plan Years (including the Plan Year during which the determination is made) for which your compensation was the highest. (If you have fewer than 3 years of compensation, your Average Compensation will be based on your compensation during your entire period of employment with the County.) In addition, Compensation is disregarded for a Plan Year if you were not a participant on the first day of the Plan Year or you were on a leave of absence on the first day of the plan year.

For purposes of determining your Average Compensation, "compensation" means your 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 a cafeteria plan, a qualified transportation benefit, 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). Also, the amount of annual compensation that can be taken into account in determining your Final Average Compensation under the Plan cannot exceed a dollar limit that applies under federal tax law. That limit is \$265,000 for 2015 and is subject to change each year based on inflation.

What is my normal retirement benefit?

Your normal retirement benefit is a monthly benefit paid to you for life.

The following example is designed to show you how the retirement benefit formula is used to calculate benefits. Assume an employee who is age 65 and who began employment in eligible status on June 1, 1996, retired on June 1, 2016 (so the employee completed 20 Years of Service). Assume the employee's Average Compensation is \$50,000 per year.

Here's how the benefit formula works:

Multiply 2.0% by Average Compensation (\$50,000) by years of service (20) = \$20,000 per year

Therefore, the participant's total benefit at Normal Retirement Date would be 1/12 of that amount or \$1,666.66 per month.

NORMAL RETIREMENT

When is my Normal Retirement Date?

Your "Normal Retirement Date" is the first day of the month coinciding with or next following attainment of your Normal Retirement Age.

Your "Normal Retirement Age" has a different meaning based on your employment classification. As a result, the Plan Administrator will provide you with a separate document designating your Normal Retirement Age. You will become 100% vested in your benefit if you are still employed in an eligible status on your Normal Retirement Age.

If you elect normal retirement, your benefits will begin on your Normal Retirement Date.

EARLY RETIREMENT

When can I retire early?

You may retire early on or after your "Early Retirement Date". Early Retirement Date means, for a Non-Uniformed Participant any date that precedes your Normal Retirement Date and that coincides with or follows the date you are first credited with 25 Years of Service. For a Uniformed Participant (i.e., someone employed as sworn sheriff's personnel), Early Retirement Date is any date that precedes your Normal Retirement Date and that coincides with or follows the date you are first credited with 20 Years of Service.

What is my early retirement benefit?

The amount of your monthly early retirement benefit depends on when you want to begin receiving your benefit payments. You can either wait and receive your retirement benefits on or after your Normal Retirement Date in an unreduced amount or begin receiving an actuarially reduced amount immediately on your Early Retirement Date, or on the first day of any month after your Early

Retirement Date and before your Normal Retirement Date. If your benefit commences prior to your Normal Retirement Date, your benefit shall be reduced by one-half of one percent (0.5%) for each month your benefit starts prior to your Normal Retirement Date.

DEFERRED RETIREMENT OPTION PROGRAM ("DROP")

What is DROP?

The Plan also offers a feature that allows a Covered Employee who is eligible for Early or Normal retirement to continue working, for a period of one to five years, but to have benefit payments commence. Those payments are not paid to the Covered Employee until after retirement, but are credited as a separate benefit under the Plan. The amounts credited to the employee under DROP earn interest and are payable to the employee upon retirement. This is called the "Deferred Retirement Option Program" or "DROP".

How do I Participate in DROP?

To qualify for DROP, you must be eligible for Early Retirement or Normal Retirement and you must have elected the DROP option. The County will provide an election form and a written explanation of the DROP option to you. By electing to participate in the DROP, your accrued benefit will be frozen as of the date of your participation in the DROP and you will agree to retire after the end of the DROP period. Any additional requirements for making an election to participate in the DROP will be explained on the election form and materials provided to you at the time when you qualify to make a DROP election. If you participate in DROP, then, when the elected DROP period ends, you must retire. Your election to participate in the DROP is generally irrevocable.

How Does DROP Work?

Each month, beginning on your DROP Participation Date and ending with the month before your retirement date, the amount of the accrued monthly benefit computed as described above will be credited to your "DROP Account" under the Plan. In addition, each month, interest will be credited to your DROP Account. The interest rate used to compute interest will be 6% per year, compounded annually. You will not receive interest after the first day of the month coincident with or next following the end of the DROP period.

You will not receive credit for any additional Years of Services while you participate in the DROP. Similarly, your compensation during the DROP period will not be subject to the employer pick up provisions of this Plan or used to increase your Average Compensation. Note that this DROP Account is simply a bookkeeping account and that amounts credited to your DROP Account are not actually separated from the general assets of the Plan's trust.

How Do I Receive My DROP Benefit?

At the end of the DROP period, when you terminate employment, you may elect to have the amount credited to your DROP Account paid to you in a cash lump sum (as soon as administratively feasible after you terminate employment but not earlier than the first 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 termination of employment) or you can elect to have the actuarial equivalent value of your DROP Account paid in the same form as you elect for your other benefits, as described above. In the alternative you may have the DROP benefit paid added to your Employee Contributions Benefit. Please consult the Plan Administrator for additional details concerning this option.

If a DROP participant dies before his or her DROP Account has been distributed, the value of the participant's DROP Account on the date of death will be distributed to the participant's beneficiary as soon as administratively feasible after the participant's death (but not earlier than the first 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 termination of employment).

LATE RETIREMENT

Can I work past my Normal Retirement Date?

If you continue to work past your Normal Retirement Date, you will be eligible for a late retirement benefit. Your benefit payments will not begin until the first day of the month coinciding with or after you terminate employment following your Normal Retirement Date unless you otherwise elect an in-service distribution.

Your benefit payments upon your actual late retirement date will be the benefit determined by taking into account your additional service after your Normal Retirement Date, but not to exceed 50 years (30 years for Plan Years beginning prior to July 1, 2001).

DISABILITY RETIREMENT

What if I become disabled?

If you become disabled (other than in the line of duty) while you are an active employee of the Employer and you have completed at least five Years of Service, you will be entitled to receive disability retirement benefits beginning on the first day of the month coincident or next following the date of disability certification (or, if later, the date you have exhausted all sick leave and any accident and sickness benefits from other programs (other than long-term disability), exclusive of Social Security, to which the County makes contributions) and ending before the earliest of (1) the date you are no longer eligible for disability benefits under the Social Security Act; (2) the date you fail to submit satisfactory proof of earnings when requested by the County (as you are required to submit this on an annual basis); or (3) the date you attain age sixty-five (65) (if your disability is incurred on or before age sixty (60)) or the five-year anniversary of the date your disability benefits commence (if your disability is incurred after age sixty (60)). Your monthly disability benefit will be equal to the greater of (A) a monthly amount equal to one-twelfth (1/12) of twenty-five percent (25%) of your Average Compensation determined at the time your disability is incurred, or (B) your accrued benefit at the time your disability is incurred.

For purposes of the prior paragraph, you are considered totally and permanently disabled if (A) the Retirement Committee of the County determines, on the basis of a medical examination conducted by a physician or physicians selected by the County, that you are 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) you are 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 the prior paragraph. (Total and permanent disability shall not include any injury or disease that results from (a) you engaging in the illegal use of drugs or narcotics; (b) you inflicting a purposefully self-inflicted injury (while sane or insane); (c) you engaging in any illegal or criminal enterprise or activity; (d) you working on the job while under the influence of alcohol; or (e) you engaging in military service (except to the extent such exclusion is prohibited by applicable law).)

Note that a Participant who is on a leave of absence shall not be eligible for disability benefits. For additional conditions and limitations on eligibility for disability benefits, please consult the County for additional details.

What if I become disabled in the line of duty?

If you become disabled while you are an active employee of the Employer, as a result of an accident or injury which has been ruled compensable under the Maryland Workers' Compensation Act, you will be entitled to receive disability retirement benefits beginning on the first day of the month coincident or next following the date of disability certification (or, if later, the date you have exhausted all sick leave and any accident and sickness benefits from other programs (other than long-term disability), exclusive of Social Security, to which the County makes contributions) ending before the earliest of (1) the date you cease to be disabled or refuse to return to work after you are sufficiently recovered (as determined by the County under the Plan and its discretion); (2) the date you fail to undergo a medical examination requested by the County; or (3) the date you attain age sixty-five (65) (if your disability is incurred on or before age sixty (60)) or the five-year anniversary of the date your disability benefits commence (if your disability is incurred after age sixty (60)). Your monthly disability benefit will be equal to the lesser of (A) the sum of (1) one-twelfth (1/12) of 66-2/3% of your Average Compensation determined at the time the disability is incurred, and (2) the Actuarial Equivalent of your Employee Contributions Benefit, or (B) one-twelfth (1/12) of your Average Compensation determined at the time the disability is incurred.

For purposes of the paragraph above, you will be considered totally and permanently disabled if the Retirement Committee determines, on the basis of a medical examination conducted by a physician or physicians selected by the County, that (A) you are totally and permanently incapacitated as the natural and proximate result of bodily injury in the performance of your 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 your part; and (B) you are unable to engage in your regular occupation with the County or to be employed by the County in some other position for which you are suited or which is appropriate given your training and experience and (C) you are 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 the paragraph above. (Total and permanent disability shall not include any injury or disease that results from (a) you engaging in the illegal use of drugs or narcotics; (b) you inflicting a purposefully self-inflicted injury (while sane or insane); (c) you engaging in any illegal or criminal enterprise or activity; (d) you working on the job while under the influence of alcohol; or (e) you engaging in military service (except to the extent such exclusion is prohibited by applicable law).)

Note that a Participant who is on a leave of absence shall not be eligible for disability benefits. For additional conditions and limitations on eligibility for disability benefits, please consult the County for additional details.

What if I am receiving disability benefits and I reach age 65 or the five-year anniversary?

If you are receiving disability benefits because of a disability incurred on or before age 60, and you reach age 65, you will no longer receive the monthly benefit determined as provided above. Instead you will receive the benefit determined as if you had remained in active service through your Normal Retirement Date and Average Compensation based on the date you incurred the disability. The previously elected form of payment will continue but the amount of your benefit will be adjusted in accordance with the prior sentence.

If you are receiving disability benefits because of a disability incurred after age 60, and you reach the five-year anniversary of the date the disability benefits commenced, you will no longer receive the monthly benefit determined as provided above. Instead you will receive the benefit determined as if you had remained in active service through the five year anniversary of the date disability benefits commenced and Average Compensation based on the date you incurred the disability. The previously elected form of payment will continue but the amount of your benefit will be adjusted in accordance with the prior sentence.

IN-SERVICE RETIREMENT

Am I entitled to retirement benefits before my employment terminates?

Yes. If you are eligible for Normal Retirement and you elect in-service retirement on a form or in a manner provided by the County, your benefit will be frozen as of the first day of your in-service retirement and you will not earn any additional Years of Service for any period of in-service retirement. Similarly, your compensation during in-service retirement period will not be subject to the employer pick up provisions of this Plan or used to increase your Average Compensation.

If you elect in-service retirement, you may elect a distribution of your accrued benefit in any form permitted under the Plan and you may not change your election when you terminate employment. Please contact the County for additional details and any restrictions on in-service retirement distributions (including the ability of a DROP participant to elect an in-service distribution).

TERMINATION OF EMPLOYMENT BEFORE NORMAL, EARLY OR DISABILITY RETIREMENT OR DEATH

Am I entitled to retirement benefits if my employment terminates before I am eligible for normal, early or disability retirement or death?

If your employment terminates before you are eligible for normal retirement, early, or disability retirement or death and *before* you have completed 5 years of service, you still will be entitled to a retirement benefit, based on your contributions into the Plan, plus 6% interest per year (compounded annually), which is called your "Employee Contribution Benefit".

If you terminate employment *after* you have completed at least 5 years of service, you will become vested in your benefit attributable to employer contributions and you will be entitled to begin to receive your benefit at your Normal Retirement Date. Your benefit is calculated as described above.

You may choose to leave your Employee Contribution Benefit in the Plan until your Normal Retirement Date or you may elect to receive your Employee Contribution Benefit at anytime before your Normal Retirement Date. However, if you choose the latter option, no further benefit will be available to you from the Plan.

Can my benefits be suspended or reduced for any other reason?

If you separate from service, begin to receive benefits under the Plan, and then are reemployed, your benefits may be suspended until you retire again.

In any event, any monthly pension you receive from the Plan will be reduced by the actuarial equivalent of the amount you are receiving or are entitled to receive from any other defined benefit pension plan of the Employer, if that benefit would duplicate any benefit you are to receive from this Plan.

APPLYING FOR BENEFITS

How do I apply for my retirement benefits?

You will need to complete an "application for benefits" form before your benefit payments begin. You will be asked to indicate the form of payment you have selected, as well as supply important information such as your address and the name of your beneficiary.

Benefits will be paid to you according to the information you have supplied. If any of the information you have given changes—for example, if you move—be sure to inform the Plan Administrator.

If your claim for Plan benefits is denied, you will be notified and will be notified of the Plan's claim review procedure.

METHODS OF PAYMENT

How are my benefits paid to me?

Normal Form of Payment. Your retirement benefits normally will be paid as a monthly annuity for life and ending on your death, unless you elect one of the following optional forms. Upon your death while receiving the normal form of benefit (if you have not received a refund of your Employee Contributions Benefit), your designated beneficiary will receive a lump sum payment equal to your Employee Contributions Benefit minus all annuity payments made or due to date of death.

Optional Forms of Payment.

- **Life Annuity with Five Years Certain.** Under this option, you will be paid a monthly benefit during your lifetime with a guarantee of 60 payments. If you die before receiving 60 monthly payments, remaining payments will be made in monthly installments to your designated beneficiary.
- **Life Annuity with Ten Years Certain.** Under this option, you will be paid a monthly benefit during your lifetime with a guarantee of 120 payments. If you die before receiving 120 monthly payments, remaining payments will be made in monthly installments to your designated beneficiary.
- **Life Annuity with Fifteen Years Certain.** Under this option, you will be paid a monthly benefit during your lifetime with a guarantee of 180 payments. If you die before receiving 180 monthly payments, remaining payments will be made in monthly installments to your designated beneficiary.
- **Retirement Benefit Option.** Under this option, you will receive a percentage of the amount you would receive under the normal form of benefit. After your death, your joint payee will continue to receive this amount or such fraction thereof (i.e., 50%, 66-2/3% or 100%, as elected by you). If you and your joint payee die prior to receiving an amount equal to your Employee Contributions Benefit, your beneficiary will receive a lump sum of the balance.
- **Social Security Step-Up.** This benefit is designed to provide you 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. Calculations are based upon an assumption that the participant begins to receive Social Security benefits at age 62. Note: This Option is not applicable for DROP participation.
- **Special Options.** Under this option, you may arrange a special life annuity as long as the annuity does not consist of a deferral of payments under an interest only arrangement or the payment period does not extend beyond the life expectancy of you and your beneficiary. Please consult the County for additional details.
- **Lump Sum Cash-Out.** Under this option, you will receive a cash-out distribution of your Employee Contributions Benefit in lieu of any other benefit under the Plan.

DEATH BENEFITS

Are any death benefits payable under the Plan?

If you die after you begin to receive retirement benefits, the death benefits are those specified, if any, under the form in which benefits were being paid (see above).

If you have completed at least one Year of Service, and you die before your termination date and before your retirement benefits begin, your beneficiary will receive a lump sum payment of your Employee Contributions Benefit plus an amount equal to 50% of your Average Compensation

determined as of the date of death.

If you meet each of the following conditions, your surviving spouse is entitled to a survivor annuity (in lieu of any other benefit provided under the Plan),

- you are married on the date of your death,
- you die before your termination date,
- you have designated your surviving spouse as your only primary beneficiary,
- you have attained age 55 and you were credited with 15 Years of Service before your death or you would have been eligible to receive normal retirement benefits or early retirement benefits if you had retired on the day before your death, and
- your spouse does not elect to receive the benefit described in the prior paragraph.

For this purpose, the survivor annuity is a monthly benefit commencing in the month following your death and continuing for the remainder of your spouse's life in an amount equal to the benefit the spouse would have received under an immediate joint and 100% survivor annuity if you had retired on the day before your death.

ROLLOVERS AND TRANSFERS

Subject to uniform rules established by the Plan Administrator and subject to applicable law, you may be able to elect a direct rollover of any lump sum distribution of your Plan benefit to another tax qualified plan, to an IRA or to certain annuity contracts. You should contact the Plan Administrator to obtain its approval before taking steps to have a direct rollover made.

LIMITS TO RETIREMENT BENEFITS

Applicable law limits the amount of retirement benefits participants may receive. It is unlikely that you would ever be affected by this limitation, but if you are, you will be notified by the Plan Administrator.

AMENDMENT OR TERMINATION OF THE PLAN

The Employer expects to continue the Plan indefinitely. However, the Employer evaluates the Plan periodically, and reserves the right at any time to modify or amend, retroactively if deemed necessary, any provision of the Plan. In addition, the Employer reserves the right to discontinue or terminate the Plan at any time. Any amendment, discontinuance or termination of the Plan will be effective at a date determined by the Employer.

While the Plan may be amended at any time, no Plan amendment may reduce or eliminate any legally protected benefits, rights or features. For example, the Plan cannot be amended to de-vest any vested Plan assets.

In the unlikely event of a Plan termination, affected participants will become 100% vested in their retirement benefit to the extent that it is funded. Should the Plan ever actually be terminated, federal law has established an order of priorities for the allocation of assets on Plan termination. If any assets remain after the satisfaction of all Plan liabilities, they will be returned to the Employer.

PLAN GUARANTEES

The Plan has been established for the benefit of the participants. However, the trust fund is the sole source to which participants may look for Plan benefits. The Employer does not guarantee the payment of benefits by the trust fund, nor can the Employer guarantee the qualified, tax exempt status of the Plan and trust or that contributions or benefits will be subject to any particular tax consequences.

STATUTE OF LIMITATIONS

Please note that no legal action may be commenced or maintained to recover benefits under the Plan more than 12 months after the final review/appeal decision by the Plan Administrator has been rendered (or deemed rendered).

ADDITIONAL INFORMATION

ADMINISTRATION

The official Plan name is: Employees' Retirement Plan of Washington County

The Employer and Plan Sponsor is: Washington County, Maryland

The Plan Administrator is the Retirement Committee of the County. Plan Administrator correspondence should be mailed to:

Retirement Plan Committee of the Employees' Retirement Plan
100 W. Washington Street
Hagerstown, MD 21740

Telephone Number: 240-313-2350

AGENT FOR SERVICE OF LEGAL PROCESS

The Plan Administrator has been designated as agent to receive legal process for the Plan.

PLAN YEAR

The fiscal year of the Plan for purposes of administration and recordkeeping is July 1 through June 30.

FUNDING MEDIUM

Plan benefits are provided through the medium of a trust.

ASSIGNMENT OF BENEFITS

Except as may be required pursuant to a "qualified domestic relations order" (a type of court order relating to divorce or legal separation), neither you nor your beneficiaries can transfer, assign or pledge any Plan benefits.

NO EMPLOYMENT CONTRACT

No provision of the Plan or of this Plan Summary should be construed as a contract of employment between the Employer and any employee, nor shall anything in the Plan give any employee any rights of continued employment with the Employer or limit the right of the Employer to discharge any employee with or without cause.