

AMENDMENT NO 16-1
TO THE
RULES AND REGULATIONS
OF THE MEBA PENSION TRUST

The Trustees of the MEBA Pension Trust approved the following changes to the MEBA Pension Trust Defined Benefit Plan's Rules and Regulations, effective as of January 1, 2016.

1. A new definition of "Lump Sum Possible Plan Year" is added as section 1.21 to read as follows, and all succeeding definitions are renumbered accordingly:

1.21 LUMP SUM POSSIBLE PLAN YEAR

The term "Lump Sum Possible Plan Year" means a Plan Year for which the Plan's actuary has certified to the Trustees by October 31 of the immediately preceding Plan Year that the Plan is projected to be neither Endangered nor Critical for the Plan Year and the next fourteen succeeding Plan Years before and after reflecting the Lump Sum Distribution provisions under Section 6.04A.

2. Subsection 1.01(b) shall be amended to read as follows (*the amended language is shown in bold italics*):
 - (b) The applicable interest rate for any Plan Year is the interest rate specified by the Internal Revenue Service for purposes of Code Section 417(e)(3)(A)(ii)(II) for the "lookback month." *The lookback month is the August preceding the first day of the Plan Year.*
3. Section 6.01 shall be amended to read as follows (*the amended language is shown in bold italics*):

6.01 NORMAL FORM OF PENSION

- (a) The normal form of Pension for an Employee who is not married on his Effective Date of Pension shall be a single life annuity.
- (b) The normal form of Pension for an Employee who is married on his Effective Date of Pension shall be a Qualified Joint and Survivor Annuity. A Qualified Joint and Survivor Annuity is an annuity under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factor contained in an actuarially equivalent table of factors for the Qualified Joint and Survivor Annuity as provided in Appendix I to the Plan. If the Employee predeceases the spouse he was married to on his Effective Date of Pension, monthly payments in an amount equal to 50% of the monthly amount paid to the Employee shall be made to such spouse until the end of the month during which such spouse dies.
- (c) An Employee may waive the normal form of Pension *and elect any other available form of Pension provided under Section 6.02, 6.03 or 6.04A* by filing a Qualified Election with the Plan Office, *with spousal consent, if applicable*, within the 90 day

period ending on the Employee's Effective Date of Pension. The term "Qualified Election" shall mean a waiver of the normal form of Pension which complies with this subsection (b). ***The Employee must be provided with the information described in subsection (d) in connection with a Qualified Election.*** The Employee's waiver must be in writing and must be consented to by the Employee's spouse. The spouse's consent must be witnessed by a notary public. Notwithstanding the consent requirement, if the Employee establishes to the satisfaction of the Plan Office that such spousal consent cannot be obtained because there is no spouse or the spouse cannot be located, or if the Employee does not have a Day of Service on or after August 23, 1984, a waiver without the spouse's consent will be deemed to be a Qualified Election. Any consent will be valid only with respect to the spouse who signs the consent, or in the event of a deemed Qualified Election, the designated spouse. The spouse may not revoke the consent once it is given. The Employee may revoke his waiver without the consent of his spouse any time prior to his Effective Date of Pension; however, a new waiver shall require a new spousal consent.

- (d) The Plan Office shall furnish to the Employee, at least 30 and no more than 90 days before his Effective Date of Pension, and at any earlier time upon the Employee's written request, a written explanation of:
 - (1) the terms and conditions of the Qualified Joint and Survivor Annuity;
 - (2) the Employee's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity;
 - (3) the rights of the Employee's spouse ***to consent to any election to waive the Qualified Joint and Survivor Annuity;***
 - (4) the right to make, and the effect of, a revocation of any election ~~not to take to waive~~ a Qualified Joint and Survivor Annuity; and
 - (5) ***if the Employee has not reached his Normal Retirement Age, the Employee's right to defer commencement of his benefit until Normal Retirement Age.***

4. A new Section 6.04A shall be added to the Plan to read as follows:

6.04A PARTIAL LUMP SUM DISTRIBUTION

- (a) A Partial Lump Sum Distribution may be paid under the Plan for any Lump Sum Possible Plan Year only if and to the extent permitted under this Section 6.04A. For the avoidance of doubt, no Lump Sum Distribution may be paid under the Plan and its Appendices, including but not limited to Appendices F, H and K, except as provided under this Section 6.04A. A Partial Lump Sum Distribution shall not be made available under this Section 6.04A for a benefit, such as a Disability Pension, that immediately prior to May 1, 2015 was not payable as a Lump Sum Distribution.
- (b) An Employee who has attained age 55 may be permitted during a Lump Sum Possible Plan Year to elect, pursuant to a Qualified Election that meets the requirements of Section 6.01, to receive a partial Lump Sum Distribution under the terms of this subsection 6.04A (b)(i) or (ii), subject to other provisions of this Section 6.04A.

- (i) An Employee may elect a partial Lump Sum Distribution in the amount of 12 months of monthly single life annuity payments or 24 months of monthly single life annuity payments if, as of the first day of the Lump Sum Possible Plan Year, the interest rate specified by the Internal Revenue Service under Code Section 417(e)(3) as of the Plan's lookback month (August) is the equivalent of 5.75% or more.
- (ii) An Employee may elect a partial Lump Sum Distribution in the amount of 12 months of monthly annuity payments, 24 months of monthly single life annuity payments or 36 months of monthly single life annuity payments if, as of the first day of the Lump Sum Possible Plan Year, the interest rate specified by the Internal Revenue Service under Code Section 417(e)(3) as of the Plan's lookback month (August) is the equivalent of 6.75% or more.

For purposes of this Subsection 6.04A(b), the Code section 417(e)(3) interest rate equivalent shall be determined by the Plan's actuary as the single interest rate that produces the same actuarial present value of a monthly single life annuity payable at age 55 if the annuity were determined using the applicable interest rate under Section 1.01(g) and applicable mortality table under Section 1.01(f)(1).

- (c) The maximum partial Lump Sum Distribution amount that may be paid under this Section 6.04A is an amount equal to 36 months of monthly single life annuity benefit payments.
 - (d) The partial Lump Sum Distribution Option described in this Section 6.04A is not available for Employees electing the cost of living pension under Sections 2A.02(c) or 2B.02(d).
5. Subsection 8.04 shall be amended to read as follows:

8.04 Spousal Election – Partial Lump Sum Distributions

The spouse of a deceased Employee whose death occurred prior to his Effective Date of Pension may elect, in writing, in the form and manner provided by the Trustees, to have benefits payable in a partial Lump Sum Distribution if and to the extent permitted pursuant to Section 6.04A, with any remaining benefits payable in the form provided under Section 8.03(a).

Effective Date: January 1, 2016
Language Approved: April 20, 2016


H. Marshall Ainley, Chairman


Edward Hanley, Secretary